

BOX ELDER COUNTY

FINANCIAL REPORT

DECEMBER 31, 2004

**BOX ELDER COUNTY  
FINANCIAL REPORT  
DECEMBER 31, 2004**

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## INDEPENDENT AUDITORS' REPORT

To the County Commissioners  
Box Elder County  
Brigham City, UT 84302

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Box Elder County, Utah (the "County"), as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Box Elder County as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Municipal Service Fund, Public Safety Fund, and RDA and EDA Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2005, on our consideration of Box Elder County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary combining, nonmajor fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the same auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Wiggins & Co., PC*

Brigham City, Utah  
June 27, 2005

**BOX ELDER COUNTY  
2004 ANNUAL FINANCIAL REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

After the close of each budget year (January – December), Box Elder County's financial operations are reviewed by an independent, professional firm of Certified Public Accountants. Wiggins and Company P.C., a professional firm with offices in Brigham City, has completed the audit of the 2004 financial year.

This audit examines the County's financial status as of the end of December and provides a report on Wiggins' review of the County's financial policies, procedures and operations during 2004. Assets, liabilities, revenues and expenditures are all examined and reported, and changes from the previous year are indicated. Expenditure and revenue variances from the adopted County Budget are also reported.

The purpose of the "Management Discussion and Analysis" is to give the Financial Director of the County an opportunity to summarize and comment on various findings of the audit. Following this page is a series of charts created by the County Auditor that summarize various types of financial information provided by the audit, give 2004 and 2003 values for each item, shows the calculated "change" between the two fiscal years, and then provides explanatory comments. The information is presented in this format as an effort to make it more accessible to the public.

In general, 2004 was a positive year for the County in a financial sense. Current and long-term assets made modest gains and revenues exceeded expenditures in most funds. Only the Redevelopment Agency Fund showed both a marked decrease in current fund balance and a major net loss for the year. These negative indicators, however, were offset somewhat by an increase in the long-term assets of the RDA Fund due to infrastructure construction.

The following Charts present the financial results for Box Elder County in a more detailed summary.

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
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**TOTAL ASSETS, LIABILITIES AND NET ASSETS (ALL FUNDS)**

<b>TOTAL ASSETS</b>	\$ 32,359,785	\$ 33,087,740	\$ (727,955)	
CAPITAL ASSETS	\$ 18,625,462	\$ 19,466,537	\$ (841,075)	
OTHER ASSETS	\$ 13,734,323	\$ 13,621,203	\$ 113,120	
<b>TOTAL LIABILITIES</b>	\$ 9,845,329	\$ 10,023,879	\$ (178,550)	
LONG-TERM LIABILITIES	\$ 8,984,217	\$ 9,203,692	\$ (219,475)	
OTHER LIABILITIES	\$ 861,112	\$ 820,187	\$ 40,925	
<b>TOTAL NET ASSETS #</b>	\$ 22,514,456	\$ 23,063,861	\$ (549,405)	
CAPITAL ASSETS NET OF RELATED DEBT	\$ 9,807,323	\$ 10,404,665	\$ (597,342)	
RESTRICTED	\$ 5,726,319	\$ 6,348,756	\$ (622,437)	
UNRESTRICTED	\$ 6,980,814	\$ 6,310,440	\$ 670,374	

Total Assets and Net Assets are important methods of measuring the health of Box Elder County. As reported in Note 2, the net assets in the Governmental Activities were decreased by \$2,513,687 to reflect a correction of an error in the 2003 amounts. This adjustment was necessary to correct the capital assets amounts. In 2003, certain capital assets were reported twice. An adjustment of \$30,870 was also necessary to the net assets of the Business-Type Activities for the same reason. The operations of the County produced increases in net assets in the Governmental Activities of \$1,275,406 and the Business-Type Activities of \$658,006. Overall liabilities decreased due to reduced payroll liabilities and reductions in debt obligations.

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
<b>CURRENT ASSETS - DECEMBER 31ST</b>				
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 12,815,428</b>	<b>\$ 12,396,099</b>	<b>\$ 419,329</b>	
GENERAL FUND	\$ 2,792,723	\$ 2,150,663	\$ 642,060	Although total current assets increased over 2003, there was a considerable decrease in the Redevelopment Agency Fund. This was primarily due to the elimination of a "receivable" from a Federal Grant that was on the books in 2003 and a major reduction in the RDA's cash balance.
MUNICIPAL SERVICE FUND	\$ 4,957,904	\$ 5,038,461	\$ (80,557)	
SOLID WASTE FUND	\$ 1,091,756	\$ 488,407	\$ 603,349	
PUBLIC SAFETY FUND	\$ 624,534	\$ 284,114	\$ 340,420	
REDEVELOPMENT AGENCY FUND	\$ 429,053	\$ 1,752,727	\$ (1,323,674)	
OTHER FUNDS	\$ 2,919,458	\$ 2,681,727	\$ 237,731	
<b>CURRENT LIABILITIES - DECEMBER 31ST</b>				
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 1,040,307</b>	<b>\$ 748,968</b>	<b>\$ 291,339</b>	
GENERAL FUND	\$ 145,404	\$ 188,075	\$ (42,671)	The increase in total current liabilities resulted primarily from the debt for the Marble Hills Special Improvement District. This debt will be paid for by yearly charges to the property owners in the Special Improvement District.
MUNICIPAL SERVICE FUND	\$ 64,331	\$ 90,107	\$ (25,776)	
SOLID WASTE FUND	\$ 38,090	\$ 29,766	\$ 8,324	
PUBLIC SAFETY FUND	\$ 152,224	\$ 204,146	\$ (51,922)	
REDEVELOPMENT AGENCY FUND	\$ 311,969	\$ 229,965	\$ 82,004	
OTHER FUNDS	\$ 328,289	\$ 6,909	\$ 321,380	
<b>CURRENT FUND BALANCE - DECEMBER 31ST</b>				
<b>TOTAL CURRENT FUND BALANCE</b>	<b>\$ 11,775,121</b>	<b>\$ 11,647,131</b>	<b>\$ 127,990</b>	
GENERAL FUND	\$ 2,647,319	\$ 1,962,588	\$ 684,731	The Current Fund Balance was calculated by subtracting current liabilities from current assets. The balance for the General Fund increased due to a combination of increased revenues and reduced expenses. The Solid Waste Fund increased due to a short-term agreement to provide landfill services to Weber County.
MUNICIPAL SERVICE FUND	\$ 4,893,573	\$ 4,948,354	\$ (54,781)	
SOLID WASTE FUND	\$ 1,053,666	\$ 458,641	\$ 595,025	
PUBLIC SAFETY FUND	\$ 472,310	\$ 79,968	\$ 392,342	
REDEVELOPMENT AGENCY FUND	\$ 117,084	\$ 1,522,762	\$ (1,405,678)	
OTHER FUNDS	\$ 2,591,169	\$ 2,674,818	\$ (83,649)	



**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
<b>TOTAL ALL FUNDS</b>	<b>\$ 25,109,007</b>	<b>\$ 25,707,682</b>	<b>\$ (598,675)</b>	Revenues increased in the General Fund primarily due to an increase in the property tax of over \$600,000. Revenues were up in the Public Safety Fund due to an increase in transfers to that Fund from the General and Municipal Service Funds.
GENERAL FUND	\$ 8,509,435	\$ 7,251,598	\$ 1,257,837	Revenues were down in "Other Funds" because the refunding of the General Obligation Public Safety Bond showed as a revenue in 2003.
MUNICIPAL SERVICE FUND	\$ 4,944,230	\$ 5,100,477	\$ (156,247)	
SOLID WASTE FUND	\$ 1,617,311	\$ 979,577	\$ 637,734	
PUBLIC SAFETY FUND	\$ 6,116,083	\$ 5,406,359	\$ 709,724	
REDEVELOPMENT AGENCY FUND	\$ 2,703,489	\$ 1,348,244	\$ 1,355,245	
OTHER FUNDS	\$ 1,218,459	\$ 5,621,427	\$ (4,402,968)	
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
<b>TOTAL ALL FUNDS</b>	<b>\$ 24,918,036</b>	<b>\$ 24,498,753</b>	<b>\$ 419,283</b>	The major changes to expenditures in 2005 related to bond refunding. Expenditures increased dramatically in the RDA due to both the refunding of the Corinne EDA bond (which shows as an expense and a revenue) and the cost of major construction in the EDA area. Expenditures in "Other Funds" are lower due to the expense of the bond refunding in 2003
GENERAL FUND	\$ 7,824,704	\$ 7,582,106	\$ 242,598	
MUNICIPAL SERVICE FUND	\$ 4,999,011	\$ 4,346,606	\$ 652,405	
SOLID WASTE FUND	\$ 959,305	\$ 690,611	\$ 268,694	
PUBLIC SAFETY FUND	\$ 5,723,741	\$ 5,404,218	\$ 319,523	
REDEVELOPMENT AGENCY FUND	\$ 4,109,167	\$ 1,028,450	\$ 3,080,717	
OTHER FUNDS	\$ 1,302,108	\$ 5,446,762	\$ (4,144,654)	
<b>NET GAIN OR LOSS ( )</b>				
<b>TOTAL ALL FUNDS</b>	<b>\$ 190,971</b>	<b>\$ 1,208,929</b>	<b>\$ (1,017,958)</b>	[See below for comments on each fund.]
GENERAL FUND	\$ 684,731	\$ (330,508)	\$ 1,015,239	- Increased Revenue and Decreased Expense.
MUNICIPAL SERVICE FUND	\$ (54,781)	\$ 753,871	\$ (808,652)	- \$560,948 of surplus was budgeted for use in 2004.
SOLID WASTE FUND	\$ 658,006	\$ 288,966	\$ 369,040	- Primarily the net effect of the Weber County project.
PUBLIC SAFETY FUND	\$ 392,342	\$ 2,141	\$ 390,201	- Primarily due to increased transfers into the Fund.
REDEVELOPMENT AGENCY FUND	\$ (1,405,678)	\$ 319,794	\$ (1,725,472)	- See above. Project costs depleted surplus.
OTHER FUNDS	\$ (83,649)	\$ 174,665	\$ (258,314)	- Transfer out to close down the Education Fund

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
<b>REVENUES IN EXCESS OF OR UNDER ( ) ORIGINAL BUDGET</b>				
<b>TOTAL MAJOR GOVERNMENTAL FUNDS</b>	<b>\$ 249,328</b>	<b>\$ (15,267)</b>	<b>\$ 264,595</b>	Revenues were \$250,000 greater than the amount budgeted at the beginning of the fiscal year. This is due to better than expected revenues in the General and Public Safety Fund (including the transfer in), more than offsetting a \$300,000 expenditure over the original budget in the RDA Fund.
GENERAL FUND	\$ 210,372	\$ (230,241)	\$ 440,613	
MUNICIPAL SERVICE FUND	\$ 61,609	\$ 605,862	\$ (544,253)	
SOLID WASTE FUND				
PUBLIC SAFETY FUND	\$ 276,368	\$ (9,132)	\$ 285,500	
REDEVELOPMENT AGENCY FUND	\$ (299,021)	\$ (381,756)	\$ 82,735	
OTHER FUNDS				
<b>EXPENDITURES IN EXCESS OF OR UNDER ( ) ORIGINAL BUDGET</b>				
<b>TOTAL MAJOR GOVERNMENTAL FUNDS</b>	<b>\$ 1,460,693</b>	<b>\$ (1,201,059)</b>	<b>\$ 2,661,752</b>	The RDA accounts for most of the total \$1,460,000 that expenditures exceeded the original budget in 2004. All of the other Major Funds expended less than the original budget. (The Audit does not provide this information for the Solid Waste Fund (which is a business-type fund) or the minor governmental funds.
GENERAL FUND	\$ (540,317)	\$ (648,776)	\$ 108,459	
MUNICIPAL SERVICE FUND	\$ (241,829)	\$ 213,991	\$ (455,820)	
SOLID WASTE FUND				
PUBLIC SAFETY FUND	\$ (620,234)	\$ (464,724)	\$ (155,510)	
REDEVELOPMENT AGENCY FUND	\$ 2,863,073	\$ (301,550)	\$ 3,164,623	
OTHER FUNDS				

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
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**REVENUES IN EXCESS OF OR UNDER ( ) FINAL BUDGET**

TOTAL MAJOR GOVERNMENTAL FUNDS	\$ 531,809	\$ 320,256	\$ 211,553	
GENERAL FUND	\$ 210,372	\$ (230,241)	\$ 440,613	
MUNICIPAL SERVICE FUND	\$ (59,530)	\$ 941,385	\$ (1,000,915)	
SOLID WASTE FUND	\$ 276,368	\$ (9,132)	\$ 285,500	
PUBLIC SAFETY FUND	\$ 104,599	\$ (381,756)	\$ 486,355	
REDEVELOPMENT AGENCY FUND				
OTHER FUNDS				

The operating budget is revised in December of each year in an effort to adjust for changing financial circumstances and keep the departmental budgets from over-expendig. In December 2004 revisions were made but revenues to the Municipal Service Fund remained below the budget.

**EXPENDITURES IN EXCESS OF OR UNDER ( ) FINAL BUDGET**

TOTAL MAJOR GOVERNMENTAL FUNDS	\$ (1,633,213)	\$ (1,234,116)	\$ (399,097)	
GENERAL FUND	\$ (540,317)	\$ (648,776)	\$ 108,459	
MUNICIPAL SERVICE FUND	\$ (241,829)	\$ 264,508	\$ (506,337)	
SOLID WASTE FUND	\$ (620,234)	\$ (485,398)	\$ (134,836)	
PUBLIC SAFETY FUND	\$ (230,833)	\$ (364,450)	\$ 133,617	
REDEVELOPMENT AGENCY FUND				
OTHER FUNDS				

The December 2004 budget revision allowed all major funds to complete the year within budget.

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
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**REVENUES BY PROGRAM**

<b>TOTAL REVENUES BY PROGRAM</b>	<b>\$ 8,310,403</b>	<b>\$ 7,947,137</b>	<b>\$ 363,266</b>	
GENERAL GOVERNMENT	\$ 2,330,780	\$ 2,176,058	\$ 154,722	One of the primary advantages of the recent GASB 34 requirement of the Governmental Accounting Standards Board is that it requires information to be provided to the public on a programmatic basis. In this chart and the ones that follow, you will be able to see revenues, expenditures, and the net cost of each major program of county government.
PUBLIC SAFETY	\$ 1,844,020	\$ 1,784,825	\$ 59,195	
HIGHWAYS AND STREETS	\$ 2,163,878	\$ 2,373,486	\$ (209,608)	
PUBLIC HEALTH	\$ -	\$ -	\$ -	
PLANNING & ECONOMIC DEVELOP.	\$ 360,610	\$ 615,304	\$ (254,694)	
CULTURE AND RECREATION	\$ 13,050	\$ 17,887	\$ (4,837)	
INTEREST ON LONG TERM DEBT	\$ -	\$ -	\$ -	
SOLID WASTE	\$ 1,598,065	\$ 979,577	\$ 618,488	

**PROGRAM REVENUES BY MAJOR SOURCE (2005)**

	Charges for Services	Op. Grants & Contributions	Cap Grants & Contributions
GENERAL GOVERNMENT	\$ 2,196,686	\$ 120,894	\$ 13,200
PUBLIC SAFETY	\$ 1,560,316	\$ 31,320	\$ 252,384
HIGHWAYS AND STREETS	\$ 96,312	\$ 2,062,145	\$ 5,421
PUBLIC HEALTH	\$ -	\$ -	\$ -
PLANNING & ECONOMIC DEVELOPMENT	\$ 21,230	\$ -	\$ 339,380
CULTURE AND RECREATION	\$ 75	\$ 12,975	\$ -
INTEREST ON LONG TERM DEBT	\$ -	\$ -	\$ -
SOLID WASTE	\$ 1,598,065	\$ -	\$ -
<b>TOTAL PROGRAM REVENUES</b>	<b>\$ 5,472,684</b>	<b>\$ 2,227,334</b>	<b>\$ 610,385</b>

This chart shows by major category the revenues generated by the various County programs to help support their own activities. There is an almost equal division between Charges for Services and the two types of grants or contributions - operating and capital, except for the revenue from Charges for Services at the Landfill.

Most of the Public Safety Charges for Services come from Jail Fees from the State of Utah.

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
<b>GENERAL REVENUES BY MAJOR SOURCE</b>				
<b>TOTAL GENERAL REVENUES</b>	<b>\$ 9,945,124</b>	<b>\$ 9,120,729</b>	<b>\$ 824,395</b>	General Revenues increased in 2004 primarily due to an increase in property taxes received.
PROPERTY TAXES	\$ 5,601,103	\$ 4,820,006	\$ 781,097	Sales Tax, unfortunately, only grew by 2%. The changes in other general revenues were negligible.
SALES TAXES	\$ 2,061,430	\$ 2,020,762	\$ 40,668	
RESTAURANT TAXES	\$ 298,302	\$ 292,823	\$ 5,479	
TRANSIENT ROOM TAXES	\$ 80,556	\$ 80,419	\$ 137	
NON-SPECIFIC GRANTS & CONTRIB..	\$ 1,787,127	\$ 1,788,493	\$ (1,366)	
UNRESTRICTED INVESTMENT EARN.	\$ 113,912	\$ 128,202	\$ (14,290)	
GAIN ON SALE OF CAPITAL ASSETS	\$ 2,694	\$ (9,976)	\$ 12,670	
<b>EXPENDITURES BY PROGRAM</b>				
<b>TOTAL ALL PROGRAMS</b>	<b>\$ 16,322,115</b>	<b>\$ 15,482,971</b>	<b>\$ 839,144</b>	Note that the highest increase in program expenditures came in the area of Public Safety. Solid Waste expenditures also increased, which reflected primarily the temporary Weber County project. The increase in culture and recreation was primarily due the expansion of the use of Restaurant interest on long term debt
GENERAL GOVERNMENT	\$ 4,849,304	\$ 4,790,819	\$ 58,485	
PUBLIC SAFETY	\$ 6,192,853	\$ 5,677,682	\$ 515,171	
HIGHWAYS AND STREETS	\$ 2,655,944	\$ 2,618,794	\$ 37,150	
PUBLIC HEALTH	\$ 569,364	\$ 557,019	\$ 12,345	
PLANNING & ECON. DEVELOPMENT	\$ 369,167	\$ 388,250	\$ (19,083)	
CULTURE AND RECREATION	\$ 387,336	\$ 284,616	\$ 102,720	
INTEREST ON LONG TERM DEBT	\$ 338,842	\$ 389,966	\$ (51,124)	
SOLID WASTE	\$ 959,305	\$ 775,825	\$ 183,480	

Note that the highest increase in program expenditures came in the area of Public Safety. Solid Waste expenditures also increased, which reflected primarily the temporary Weber County project. The increase in culture and recreation was primarily due the expansion of the use of Restaurant interest on long term debt

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
<b>NET COST BY PROGRAM</b>				
<b>TOTAL NET PROGRAM COSTS</b>	\$ (8,011,712)	\$ (7,535,834)	\$ (475,878)	
GENERAL GOVERNMENT	\$ (2,518,524)	\$ (2,614,761)	\$ 96,237	
PUBLIC SAFETY	\$ (4,348,833)	\$ (3,892,857)	\$ (455,976)	Numbers in parentheses signify that costs are higher than program revenues. These shortfalls are supplemented by "General" County revenues, such as property tax and the sales tax. Naturally, Public Safety is the largest unfunded cost.
HIGHWAYS AND STREETS	\$ (492,066)	\$ (245,308)	\$ (246,758)	
PUBLIC HEALTH	\$ (569,364)	\$ (557,019)	\$ (12,345)	
PLANNING & ECONOMIC DEVELOPMENT	\$ (8,557)	\$ 227,054	\$ (235,611)	
CULTURE AND RECREATION	\$ (374,286)	\$ (266,729)	\$ (107,557)	
INTEREST ON LONG TERM DEBT	\$ (338,842)	\$ (389,966)	\$ 51,124	
SOLID WASTE	\$ 638,760	\$ 203,752	\$ 435,008	
<b>BUDGETED AMOUNTS BY CATEGORY</b>				
<b>TOTAL ALL BUDGETS</b>	\$ 19,662,212	\$ 17,795,205	\$ 1,867,007	
PERSONNEL EXPENSE	\$ 9,268,431	\$ 8,270,562	\$ 997,869	Although the audit contains no final figures for expenditures by category, reviewing the amounts budgeted for these purposes and comparing them with the previous year can give some indication of how the County budget is spent. Personnel costs are the highest portion of the budget.
SUPPLIES & SERVICES EXPENSE	\$ 5,936,211	\$ 4,441,946	\$ 1,494,265	
CAPITAL EXPENSE	\$ 2,718,611	\$ 2,541,233	\$ 177,378	
CONTRIBUTIONS	\$ 757,828	\$ 1,461,636	\$ (703,808)	
PAYMENTS FOR DEBT	\$ 981,131	\$ 1,079,828	\$ (98,697)	

**BOX ELDER COUNTY  
2004 CALENDAR YEAR AUDIT  
MANAGEMENT DISCUSSION AND ANALYSIS**

SUMMARY INFORMATION TYPE	2004	2003	CHANGE	COMMENTS
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**AMOUNT OF DEBT OUTSTANDING (PRINCIPAL AND INTEREST)**

<b>TOTAL DEBT OUTSTANDING</b>	<b>\$ 11,090,615</b>	<b>\$ 11,278,367</b>	<b>\$ (187,752)</b>	
PUBLIC SAFETY COMPLEX	\$ 5,351,155	\$ 5,544,365	\$ (193,210)	Outstanding debt decreased due to annual
COUNTY LANDFILL	\$ 2,073,600	\$ 2,253,078	\$ (179,478)	debt payments, with the exception of the new
REDEVELOPMENT AGENCY	\$ 3,257,132	\$ 3,480,924	\$ (223,792)	Marble Hills Special Improvement District.
MARBLE HILLS SPECIAL IMPROVEMENT	\$ 408,728	-	\$ 408,728	

**LONG-TERM OR FIXED ASSETS**

<b>TOTAL LONG-TERM ASSETS</b>	<b>\$ 19,857,325</b>	<b>\$ 17,751,539</b>	<b>\$ 2,105,786</b>	
GENERAL FUND	\$ 2,558,346			
MUNICIPAL SERVICE FUND	\$ 3,456,190			
SOLID WASTE FUND	\$ 2,367,461			
PUBLIC SAFETY FUND	\$ 6,515,299			
REDEVELOPMENT AGENCY FUND	\$ 3,858,542			
OTHER FUNDS	\$ 1,101,487			

Long-Term or Fixed Assets are major assets such as buildings and Infrastructure. (These assets were not divided by fund in the 2003 Audit.) These assets must be considered before any review of the financial condition of the various funds is complete. For example, although The Redevelopment Agency Fund showed a major decrease in its Current Fund Balance due to construction at the EDA project, this reduction in current assets will to a large extent be offset by an increase in the fixed assets in the project area, due to the construction of Infrastructure.

BOX ELDER COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,547,481	\$ 981,687	\$ 6,529,168	\$ 38,467
Receivables:				
Taxes	2,232,906	-	2,232,906	60,277
Accounts	683,854	110,069	793,923	-
Due from other government units	430,458	-	430,458	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted assets: cash and cash equivalents	2,631,722	456,278	3,088,000	-
Restricted assets: due from other government units	468,204	-	468,204	-
Deferred charges	155,466	36,198	191,664	-
Capital assets (net of accumulated depreciation):				
Land	2,377,683	363,490	2,741,173	170,000
Buildings	7,058,799	195,448	7,254,247	-
Improvements other than buildings	756,295	721,889	1,478,184	835,801
Equipment	1,476,943	510,981	1,987,924	-
Vehicles	1,569,487	83,177	1,652,664	-
Construction in progress	2,631,443	-	2,631,443	-
Infrastructure	879,827	-	879,827	-
<b>Total Assets</b>	<b>28,900,568</b>	<b>3,459,217</b>	<b>32,359,785</b>	<b>1,104,545</b>
<b>LIABILITIES</b>				
Accounts payable	204,303	27,568	231,871	-
Accrued liabilities	158,365	5,607	163,972	-
Accrued interest payable	68,851	2,868	71,719	-
Landfill closure and postclosure costs	-	17,048	17,048	-
Deferred revenue	376,502	-	376,502	-
Noncurrent liabilities - due within one year	518,396	110,000	628,396	-
Noncurrent liabilities - due in more than one year	6,850,906	1,504,915	8,355,821	-
<b>Total Liabilities</b>	<b>8,177,323</b>	<b>1,668,006</b>	<b>9,845,329</b>	<b>-</b>
<b>NET ASSETS</b>				
Investment in capital assets, net of debt	9,542,338	264,985	9,807,323	1,005,801
Restricted for:				
Highways and streets	3,053,988	-	3,053,988	-
Landfill postclosure costs	-	249,928	249,928	-
Tourism and restaurant tax	129,038	-	129,038	-
Culture and recreation	457,599	-	457,599	-
Debt service	701,302	206,350	907,652	-
Other purposes	51,608	-	51,608	-
Capital projects	876,506	-	876,506	-
Unrestricted	5,910,866	1,069,948	6,980,814	98,744
<b>Total Net Assets</b>	<b>\$ 20,723,245</b>	<b>\$ 1,791,211</b>	<b>\$ 22,514,456</b>	<b>\$ 1,104,545</b>

The notes to the financial statements are an integral part of this statement.



BOX ELDER COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 4,849,304	\$ 2,196,686	\$ 120,894	\$ 13,200
Public safety	6,192,853	1,560,316	31,320	252,384
Highways and streets	2,655,944	96,312	2,062,145	5,421
Public health	569,364	-	-	-
Planning and economic development	369,167	21,230	-	339,380
Culture and recreation	387,336	75	12,975	-
Interest on long-term debt	338,842	-	-	-
Total governmental activities	15,362,810	3,874,619	2,227,334	610,385
Business-type activities:				
Solid Waste	959,305	1,598,065	-	-
Total business-type activities	959,305	1,598,065	-	-
Total primary government	\$ 16,322,115	\$ 5,472,684	\$ 2,227,334	\$ 610,385
<b>COMPONENT UNIT</b>				
Flood Control District	\$ 60,375	\$ -	\$ -	\$ -
Total component units	\$ 60,375	\$ -	\$ -	\$ -

General revenues  
Property taxes  
Sales taxes  
Restaurant taxes  
Transient room taxes  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Gain on sale of capital assets  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets - beginning  
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Flood Control District</u>
\$ (2,518,524)	\$ -	\$ (2,518,524)	\$ -
(4,348,833)	-	(4,348,833)	-
(492,066)	-	(492,066)	-
(569,364)	-	(569,364)	-
(8,557)	-	(8,557)	-
(374,286)	-	(374,286)	-
(338,842)	-	(338,842)	-
<u>(8,650,472)</u>	<u>-</u>	<u>(8,650,472)</u>	<u>-</u>
-	638,760	638,760	-
-	638,760	638,760	-
<u>(8,650,472)</u>	<u>638,760</u>	<u>(8,011,712)</u>	<u>-</u>
			<u>(60,375)</u>
			<u>(60,375)</u>
5,601,103	-	5,601,103	59,889
2,061,430	-	2,061,430	-
298,302	-	298,302	-
80,556	-	80,556	-
1,787,127	-	1,787,127	-
94,666	19,246	113,912	278
2,694	-	2,694	-
-	-	-	-
<u>9,925,878</u>	<u>19,246</u>	<u>9,945,124</u>	<u>60,167</u>
1,275,406	658,006	1,933,412	(208)
19,447,839	\$ 1,133,205	20,581,044	1,104,753
<u>\$ 20,723,245</u>	<u>\$ 1,791,211</u>	<u>\$ 22,514,456</u>	<u>\$ 1,104,545</u>

**BOX ELDER COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

		Major Special Revenue Funds			Nonmajor	Total
	General	Municipal Service Fund	Public Safety Fund	RDA and EDA Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 913,607	\$ 1,666,593	\$ 336,720	\$ -	\$ 2,047,639	\$ 4,964,559
Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
Accounts	77,054	37,323	241,898	-	327,579	683,854
Taxes	1,266,122	-	-	429,031	537,753	2,232,906
Due from other governments	423,971	-	-	-	6,487	430,458
Due from other funds	111,969	-	-	-	-	111,969
Advances to other funds	-	200,000	-	-	-	200,000
Restricted assets: cash and cash equivalents	-	2,585,784	45,916	22	-	2,631,722
Restricted assets: due from other government units	-	468,204	-	-	-	468,204
Total assets	<u>\$ 2,792,723</u>	<u>\$ 4,957,904</u>	<u>\$ 624,534</u>	<u>\$ 429,053</u>	<u>\$ 2,919,458</u>	<u>\$ 11,723,672</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 92,470	\$ 33,381	\$ 43,336	\$ -	\$ 710	\$ 169,897
Accrued payroll liabilities	52,934	30,950	74,482	-	-	158,366
Due to other funds	-	-	-	111,969	-	111,969
Advances from other funds	-	-	-	200,000	-	200,000
Deferred revenue	-	-	-	-	327,579	327,579
Liabilities payable from restricted assets	-	-	34,406	-	-	34,406
Total liabilities	<u>145,404</u>	<u>64,331</u>	<u>152,224</u>	<u>311,969</u>	<u>328,289</u>	<u>1,002,217</u>
<b>Fund balances</b>						
Reserved for Class B Roads	-	3,053,988	-	-	-	3,053,988
Reserved for debt service	-	-	-	22	-	22
Reserved for capital improvements	-	-	-	-	-	-
Reserved for tourism	129,038	-	-	-	-	129,038
<b>Unreserved:</b>						
Unreserved designated, reported in nonmajor:						
Special revenue funds	-	-	-	-	228,946	228,946
Debt service funds	-	-	-	-	752,910	752,910
Undesignated	2,518,281	1,839,585	472,310	117,062	-	4,947,238
Undesignated, reported in nonmajor:						
Special revenue funds	-	-	-	-	732,807	732,807
Capital projects funds	-	-	-	-	876,506	876,506
Total fund balances	<u>2,647,319</u>	<u>4,893,573</u>	<u>472,310</u>	<u>117,084</u>	<u>2,591,169</u>	<u>10,721,455</u>
Total liabilities and fund balances	<u>\$ 2,792,723</u>	<u>\$ 4,957,904</u>	<u>\$ 624,534</u>	<u>\$ 429,053</u>	<u>\$ 2,919,458</u>	<u>\$ 11,723,672</u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS TO THE STATEMENT OF  
NET ASSETS  
DECEMBER 31, 2004

Total fund balances-governmental funds \$ 10,721,455

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land	\$ 2,377,683	
Buildings	9,842,880	
Improvements other than buildings	1,905,262	
Equipment	5,952,476	
Vehicles	3,819,484	
Construction in progress	2,631,443	
Infrastructure	1,312,595	
Accumulated depreciation	<u>(11,091,346)</u>	
Total capital assets		16,750,477

Bond issue costs are reported as expenditures in the governmental funds.

The cost is \$177,053 and the accumulated amortization is \$21,587. 155,466

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets.

582,924

Bond refinance interest rate swap funds are reported as revenue in the governmental funds. The amount received is \$(53,000) and the accumulated amortization is \$4,076.

(48,924)

Some liabilities are not due and payable in the current period and therefore not reported in the funds. Those liabilities consist of:

Bonds and leases payable	(7,208,139)	
Compensated absences	(161,163)	
Accrued interest on bonds and leases	<u>(68,851)</u>	
Total liabilities		<u>(7,438,153)</u>

Total net assets-governmental funds

\$ 20,723,245

The notes to the financial statements are an integral part of this statement.

**BOX ELDER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Major Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Municipal Service Fund	Public Safety Fund	RDA and EDA Fund		
<b>REVENUES</b>						
Taxes:						
Property	\$ 4,462,657	\$ -	\$ -	\$ 429,031	\$ 709,416	\$ 5,601,104
Sales	1,327,211	734,219	-	-	-	2,061,430
Restaurant	298,302	-	-	-	-	298,302
Transient room	56,389	-	-	-	24,167	80,556
Licenses and permits	263,950	-	-	-	-	263,950
Intergovernmental	99,988	2,282,719	51,299	339,380	132,812	2,906,198
Charges for services	699,752	183,080	1,486,291	-	-	2,369,123
Fines	908,097	-	2,200	-	-	910,297
Investment earnings	46,413	61,795	-	58,568	13,568	180,344
Contributions and donations	-	-	-	-	5,421	5,421
Miscellaneous	32,631	15,128	46,832	12,000	75	106,666
Payments in lieu of taxes	-	1,667,289	-	-	-	1,667,289
Rents	224,583	-	-	-	-	224,583
Total revenues	8,419,973	4,944,230	1,586,622	838,979	885,459	16,675,263
<b>EXPENDITURES</b>						
Current:						
General government	4,398,601	-	-	-	73,578	4,472,179
Public safety	-	597,056	5,254,525	-	-	5,851,581
Highways and streets	-	2,524,174	-	-	-	2,524,174
Public health	569,364	-	-	-	-	569,364
Planning and economic development	-	258,442	-	323,195	-	581,637
Culture and recreation	141,225	-	-	-	246,111	387,336
Capital outlay	-	-	417,320	1,794,380	376,986	2,588,686
Debt service:						
Principal	-	-	46,732	1,850,000	340,000	2,236,732
Interest and fiscal charges	-	-	5,164	141,592	170,655	317,411
Total expenditures	5,109,190	3,379,672	5,723,741	4,109,167	1,207,330	19,529,100
Excess (deficiency) of revenues over (under) expenditures	3,310,783	1,564,558	(4,137,119)	(3,270,188)	(321,871)	(2,853,837)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	85,597	-	4,334,853	-	-	4,420,450
Transfers out	(2,715,514)	(1,619,339)	-	-	(85,597)	(4,420,450)
Issuance of bonds	-	-	-	-	333,000	333,000
Bond issuance costs	-	-	-	-	(9,181)	(9,181)
Sales tax refunding bonds issued	-	-	-	1,765,000	-	1,765,000
Sale of capital assets	3,865	-	194,608	99,510	-	297,983
Total other financing sources and uses	(2,626,052)	(1,619,339)	4,529,461	1,864,510	238,222	2,386,802
Net change in fund balances	684,731	(54,781)	392,342	(1,405,678)	(83,649)	(467,035)
Fund balances - beginning	1,962,588	4,948,354	79,968	1,522,762	2,674,818	11,188,490
Fund balances - ending	\$ 2,647,319	\$ 4,893,573	\$ 472,310	\$ 117,084	\$ 2,591,169	\$ 10,721,455

The notes to the financial statements are an integral part of this statement.

**BOX ELDER COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

Net change in fund balances - total governmental funds \$ (467,035)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,152,535) exceeded depreciation (\$1,176,224) in the current period. 1,976,311

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (295,289)

Accrued interest on long-term debt reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds. (7,597)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 94,339

The liability for compensated absences is not recorded in the governmental funds, but is reported in the statement of assets. This is the current year change in the liability, reported as expense in the statement of activities. (25,323)

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Change in net assets of governmental activities \$ 1,275,406

The notes to the financial statements are an integral part of this statement.

**BOX ELDER COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 4,401,495	\$ 4,401,495	\$ 4,462,657	\$ 61,162
Sales	1,211,433	1,211,433	1,327,211	115,778
Transient room	53,253	53,253	56,389	3,136
Restaurant	263,978	263,978	298,302	34,324
Licenses and permits	257,011	257,011	263,950	6,939
Intergovernmental	100,397	100,397	99,988	(409)
Charges for services	708,682	708,682	699,752	(8,930)
Fines	828,375	828,375	908,097	79,722
Investment earnings	137,375	137,375	46,413	(90,962)
Contributions and donations	-	-	-	-
Miscellaneous	30,706	30,706	32,631	1,925
Payments in lieu of taxes	-	-	-	-
Rents	216,896	216,896	224,583	7,687
Total revenues	<u>8,209,601</u>	<u>8,209,601</u>	<u>8,419,973</u>	<u>210,372</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Commission	217,275	217,275	197,938	19,337
Justice court	278,217	287,100	266,856	20,244
Public defender	88,000	98,782	88,628	10,154
Law library	8,000	9,000	7,916	1,084
Personnel	139,333	139,333	113,309	26,024
Info tech	508,398	519,066	472,908	46,158
Auditor	218,166	218,166	205,339	12,827
Treasurer	294,130	318,483	304,949	13,534
Recorder/clerk	372,999	372,999	349,146	23,853
Attorney	390,930	388,000	380,446	7,554
Assessor	368,828	340,948	318,386	22,562
Surveyor	236,506	236,506	173,825	62,681
Non-departmental	435,700	442,942	352,631	90,311
General buildings and grounds	242,814	242,814	212,488	30,326
Exhibit buildings and grounds	194,940	196,592	191,191	5,401
Elections	65,663	57,000	56,677	323
Inspections	155,275	155,275	119,968	35,307
Travel and tourism	174,108	155,883	108,821	47,062
Emergency services	67,987	67,987	64,973	3,014
Noxious weeds	278,983	228,983	216,105	12,878
Agriculture extension	147,505	152,000	143,575	8,425
Contributions to other governments	72,600	72,600	52,526	20,074
Total general government	<u>4,956,357</u>	<u>4,917,734</u>	<u>4,398,601</u>	<u>519,133</u>
Public health	586,350	581,773	569,364	12,409
Culture and recreation	106,800	150,000	141,225	8,775
Total expenditures	<u>5,649,507</u>	<u>5,649,507</u>	<u>5,109,190</u>	<u>540,317</u>
Excess of revenues over expenditures	<u>2,560,094</u>	<u>2,560,094</u>	<u>3,310,783</u>	<u>750,689</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	85,597	35,597
Transfers out	(2,715,514)	(2,715,514)	(2,715,514)	-
Capital leases	-	-	-	-
Sale of capital assets	27,000	27,000	3,865	(23,135)
Total other financing sources and uses	<u>(2,638,514)</u>	<u>(2,638,514)</u>	<u>(2,626,052)</u>	<u>12,462</u>
Net change in fund balances	(78,420)	(78,420)	684,731	763,151
Fund balances - beginning	1,962,588	1,962,588	1,962,588	-
Fund balances - ending	<u>\$ 1,884,168</u>	<u>\$ 1,884,168</u>	<u>\$ 2,647,319</u>	<u>\$ 763,151</u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
MUNICIPAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	875,000	875,000	734,219	(140,781)
Licenses and permits	-	-	-	-
Intergovernmental	2,016,030	2,295,583	2,282,719	(12,864)
Charges for services	159,388	159,388	183,080	23,692
Fines	-	-	-	-
Investment earnings	-	-	61,795	61,795
Contributions and donations	-	-	-	-
Miscellaneous	6,500	6,500	15,128	8,628
Payments in lieu of taxes	1,825,703	1,667,289	1,667,289	-
Rents	-	-	-	-
Total revenues	<u>4,882,621</u>	<u>5,003,760</u>	<u>4,944,230</u>	<u>(59,530)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Fire	447,938	613,664	597,056	16,608
Highways and streets	2,785,837	2,735,837	2,524,174	211,663
Planning and economic development	266,587	272,000	258,442	13,558
Total expenditures	<u>3,500,362</u>	<u>3,621,501</u>	<u>3,379,672</u>	<u>241,829</u>
Excess of revenues over expenditures	<u>1,382,259</u>	<u>1,382,259</u>	<u>1,564,558</u>	<u>182,299</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,943,207)	(1,943,207)	(1,619,339)	323,868
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources and uses	<u>(1,943,207)</u>	<u>(1,943,207)</u>	<u>(1,619,339)</u>	<u>323,868</u>
Net change in fund balances	<u>(560,948)</u>	<u>(560,948)</u>	<u>(54,781)</u>	<u>506,167</u>
Fund balances - beginning	4,948,354	4,948,354	4,948,354	-
Fund balances - ending	<u>\$ 4,387,406</u>	<u>\$ 4,387,406</u>	<u>\$ 4,893,573</u>	<u>\$ 506,167</u>

The notes to the financial statements are an integral part of this statement.



BOX ELDER COUNTY  
PUBLIC SAFETY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Restaurant	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	7,000	7,000	51,299	44,299
Charges for services	1,263,742	1,263,742	1,486,291	222,549
Fines	9,500	9,500	2,200	(7,300)
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	30,012	30,012	46,832	16,820
Payments in lieu of taxes	-	-	-	-
Rents	-	-	-	-
Total revenues	1,310,254	1,310,254	1,586,622	276,368
EXPENDITURES				
Current:				
Public safety:				
Sheriff	1,989,772	1,989,772	1,868,068	121,704
Communications	524,468	524,468	512,685	11,783
Corrections	2,673,734	2,673,734	2,375,211	298,523
Support staff and inmate services	412,711	412,711	498,561	(85,850)
Total public safety	5,600,685	5,600,685	5,254,525	346,160
Capital outlay	673,290	673,290	417,320	255,970
Debt service:				
Principal	50,000	50,000	46,732	3,268
Interest and fiscal charges	20,000	20,000	5,164	14,836
Total debt service	70,000	70,000	51,896	18,104
Total expenditures	6,343,975	6,343,975	5,723,741	620,234
Excess of revenues over expenditures	(5,033,721)	(5,033,721)	(4,137,119)	896,602
OTHER FINANCING SOURCES (USES)				
Transfers in	4,658,721	4,658,721	4,334,853	(323,868)
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	375,000	375,000	194,608	(180,392)
Total other financing sources and uses	5,033,721	5,033,721	4,529,461	(504,260)
Net change in fund balances	-	-	392,342	392,342
Fund balances - beginning	79,968	79,968	79,968	-
Fund balances - ending	\$ 79,968	\$ 79,968	\$ 472,310	\$ 392,342

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
RDA AND EDA FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 238,000	\$ 330,000	\$ 429,031	\$ 99,031
Sales	-	-	-	-
Restaurant	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	900,000	339,380	339,380	-
Charges for services	-	-	-	-
Fines	-	-	-	-
Investment earnings	-	53,000	58,568	5,568
Contributions and donations	-	-	-	-
Miscellaneous	-	12,000	12,000	-
Payments in lieu of taxes	-	-	-	-
Rents	-	-	-	-
Total revenues	<u>1,138,000</u>	<u>734,380</u>	<u>838,979</u>	<u>104,599</u>
<b>EXPENDITURES</b>				
Current:				
Planning and economic development	<u>140,594</u>	<u>364,944</u>	<u>323,195</u>	<u>41,749</u>
Capital outlay	<u>901,500</u>	<u>2,006,056</u>	<u>1,794,380</u>	<u>211,676</u>
Debt service:				
Principal	204,000	1,969,000	1,850,000	119,000
Interest and fiscal charges	-	-	141,592	(141,592)
Bond issuance costs	-	-	-	-
Total debt service	<u>204,000</u>	<u>1,969,000</u>	<u>1,991,592</u>	<u>(22,592)</u>
Total expenditures	<u>1,246,094</u>	<u>4,340,000</u>	<u>4,109,167</u>	<u>230,833</u>
Excess of revenues over expenditures	<u>(108,094)</u>	<u>(3,605,620)</u>	<u>(3,270,188)</u>	<u>335,432</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sales tax refunding bonds issued	-	1,765,000	1,765,000	-
Sale of capital assets	-	99,510	99,510	-
Total other financing sources and uses	<u>-</u>	<u>1,864,510</u>	<u>1,864,510</u>	<u>-</u>
Net change in fund balances	<u>(108,094)</u>	<u>(1,741,110)</u>	<u>(1,405,678)</u>	<u>335,432</u>
Fund balances - beginning	<u>1,522,762</u>	<u>1,522,762</u>	<u>1,522,762</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,414,668</u>	<u>\$ (218,348)</u>	<u>\$ 117,084</u>	<u>\$ 335,432</u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2004

	Business-type Enterprise Fund-Solid Waste Facility	Governmental Activities - Internal Service Funds
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 981,687	\$ 582,924
Accounts receivable (net of allowance for uncollectibles)	110,069	-
Due from other funds	-	-
Intergovernmental receivable	-	-
Inventories	-	-
Prepaid items	-	-
Total current assets	<u>1,091,756</u>	<u>582,924</u>
<b>Noncurrent assets:</b>		
Restricted cash, cash equivalents, and investments:		
Landfill care and closure escrow	249,928	-
Revenue bond covenant accounts	206,350	-
Total restricted assets	<u>456,278</u>	<u>-</u>
Deferred charges	36,198	-
<b>Capital assets:</b>		
Land	363,490	-
Buildings and system improvements other than buildings	1,278,636	-
Machinery and equipment	1,007,623	-
Vehicles	129,208	-
Construction in progress	-	-
Less accumulated depreciation	<u>(903,972)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>1,874,985</u>	<u>-</u>
Total noncurrent assets	<u>2,367,461</u>	<u>-</u>
Total assets	<u>3,459,217</u>	<u>582,924</u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
STATEMENT OF NET ASSETS (Continued)  
PROPRIETARY FUNDS  
DECEMBER 31, 2004

	Business-type Enterprise Fund-Solid Waste Facility	Governmental Activities - Internal Service Funds
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	27,568	-
Accrued payroll liabilities	5,607	-
Compensated absences	4,915	-
Total current liabilities	<u>38,090</u>	<u>-</u>
Current liabilities payable from restricted assets:		
Customer deposits payable	-	-
Revenue bonds payable	110,000	-
Accrued interest payable	2,868	-
Total current liabilities payable from restricted assets	<u>112,868</u>	<u>-</u>
Noncurrent liabilities:		
Landfill closure and postclosure costs	17,048	-
Revenue bonds payable	1,500,000	-
Total noncurrent liabilities	<u>1,517,048</u>	<u>-</u>
Total liabilities	<u>1,668,006</u>	<u>-</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	264,985	-
Restricted for landfill care and closure costs	249,928	-
Restricted for debt service	206,350	-
Unrestricted	1,069,948	582,924
Total net assets	<u>\$ 1,791,211</u>	<u>\$ 582,924</u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Enterprise Fund-Solid Waste Facility	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for sales and services:		
Solid waste sales	\$ 1,597,346	\$ -
Other services	719	-
Total operating revenues	<u>1,598,065</u>	<u>-</u>
Operating expenses:		
Solid waste management	720,989	-
Depreciation	158,115	-
Total operating expenses	<u>879,104</u>	<u>-</u>
Operating income	<u>718,961</u>	<u>-</u>
Nonoperating revenues (expenses):		
Intergovernmental	-	-
Investment earnings	19,246	9,182
Interest and fiscal charges	(74,665)	-
Bond issuance costs amortization	(5,536)	-
Gain (Loss) on sale of fixed assets	-	-
Total nonoperating revenue (expenses)	<u>(60,955)</u>	<u>9,182</u>
Income before contributions and transfers	658,006	9,182
Transfers in	-	-
Transfers out	-	-
Change in net assets	658,006	9,182
Total net assets - beginning	1,133,205	573,742
Total net assets - ending	<u>\$ 1,791,211</u>	<u>\$ 582,924</u>

The notes to the financial statements are an integral part of this statement.

**BOX ELDER COUNTY**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Business-type Enterprise Fund Solid Waste Facility	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 1,608,380	\$ -
Payments to suppliers	(385,454)	-
Payments to employees	(323,248)	-
Other receipts	4,679	225
Net cash provided by operating activities	<u>904,357</u>	<u>225</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer out to other funds	-	-
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(118,832)	-
Payment on lease revenue bonds	(105,000)	-
Proceeds from sale of capital assets	-	-
Interest paid on lease revenue bonds	(77,177)	-
Net cash provided (used) from capital and related financing activities	<u>(301,009)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	19,246	9,182
Net cash provided from investing activities	<u>19,246</u>	<u>9,182</u>
Net increase (decrease) in cash and cash equivalents	622,594	9,407
Cash and cash equivalents beginning of year	<u>815,371</u>	<u>573,517</u>
Cash and cash equivalents end of year	<u>\$ 1,437,965</u>	<u>\$ 582,924</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating income	\$ 718,961	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	158,115	-
Change in assets and liabilities:		
Accounts receivable	14,995	225
Accounts payable	18,421	-
Accrued payroll liabilities	(5,070)	-
Obligation for compensated absences	(1,065)	-
Net cash provided by (used in) operating activities	<u>\$ 904,357</u>	<u>\$ 225</u>

The accompanying notes are an integral part of these financial statements.

**BOX ELDER COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2004**

**ASSETS**

Cash and cash equivalents	\$ 10,359,303
Taxes receivable	56,310
Interest receivable	<u>10,696</u>
Total assets	<u><u>\$ 10,426,309</u></u>

**LIABILITIES**

Funds held for others	\$ 165,916
Due to other governments	<u>10,260,393</u>
Total liabilities	<u><u>\$ 10,426,309</u></u>

The notes to the financial statements are an integral part of this statement.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Box Elder County is located in the northwest portion of the State of Utah. It was organized by State Statute and serves the citizens of Northern Utah. The County provides services such as public safety, corrections, treasury function, property assessing and collection of taxes, landfill, fairgrounds, lease of long-term care facilities, bookmobile, agricultural extension services and many others.

The financial statements of Box Elder County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The accompanying financial statements include the County, which is a political subdivision with corporate powers created under Utah State law, and all of its blended component units, collectively referred to as the financial reporting entity. As required by generally accepted accounting principles (GAAP), these financial statements present Box Elder County (referred to as the "primary government" for reporting purposes) and its "component units" (separate legal entities for which the County is considered to be financially accountable).

**Blended component units.** The Municipal Building Authority of Box Elder County is governed by a three-member board who are the County Commissioners. Its sole purpose is to finance and construct the County's public facilities. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit. Box Elder Special Service District is governed by a three-member board appointed by the County Commissioners. The majority of the District's expenditures during 2004 were for the benefit of the County. The financial statements of the District are included in the accompanying financial statements as a blended component unit. The Redevelopment Agency of Box Elder County is governed by a three-member board who are the County Commissioners. The Agency provides for redevelopment projects within the County. The agency is financially dependent upon the County and, as a result, is included in the accompanying financial statements as a blended component unit.

**Discretely presented component units.** Box Elder County-Perry City Flood Control District provides special services to the County. The District is directed by a Board which is appointed by the County Commissioners. The District does not issue financial statements of their own and as such, no other financial accountability to other entities is made by the District. County personnel also provide most of the administrative functions of the District. The financial information for the District has been obtained and the District is included as a discretely presented component unit of Box Elder County.

No other entities are considered to be component units of Box Elder County.



BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-wide and Fund Financial Statements**

**Government-wide Financial statements.** The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services.

**Fund Financial Statements.** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (nonmajor) funds. Internal service funds, even though primarily benefiting governmental activities, are reported on the proprietary fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Government-wide Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

**Governmental Fund Financial Statements.** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days, and therefore do not meet the "available" criterion, are reported as deferred revenue until collected. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Sales and excise taxes, restaurant taxes, and transient room taxes, are considered "measurable" and recognized as revenue when received by merchants and will be remitted to the County in time to be used to pay current obligations. Grant revenue is recognized when qualified expenditures are incurred and a contractual claim exists with the grantor agency. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on long-term debt as well as expenditures related to compensated absences, which are recognized when payment is due.

The County reports the following major governmental funds:

**General Fund**—The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.

**Municipal Service Fund**—The Municipal Service Fund accounts for monies received by the County for the purpose of providing municipal type services for the unincorporated areas of the County.

**Public Safety Fund**—The Public Safety Fund accounts for monies received by the County for the purpose of providing law enforcement and correctional services.

**RDA and EDA Fund**—The RDA and EDA Fund accounts for monies received for specific redevelopment and economic development areas located in the County.

The County's nonmajor governmental funds include other special revenue funds, a debt service fund, and a capital project fund. The nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. The debt service fund accounts for resources used for the payment of principal and interest on long-term debt obligations of governmental funds. The capital project fund is used to account for financial resources to be used for the acquisition or construction of capital projects other than those financed by proprietary funds.

**Proprietary Fund Financial Statements.** Proprietary funds include enterprise funds and internal service funds. Enterprise funds report the activities for which a fee is charged to external users for goods or services. Internal service funds are used to account for the goods and services provided by one fund to other funds of the County, rather than to the general public. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The County reports the following major proprietary funds:

**MBA Solid Waste Fund**---The MBA Solid Waste Fund is used to account for the operations of the County's landfill operation.

**Fleet Lease Internal Service Fund**---The Fleet Lease Fund is used to account for charges to the other funds for the use of the County fleet. In the government-wide financial statements, the Fleet Lease Internal Service Fund is included with the governmental activities.

**Fiduciary Fund Financial Statements.** The County has only one type of fiduciary fund--Agency Funds. Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds are accounted for using the accrual basis of accounting, but due to their custodial nature (assets equal liabilities) do not present results of operations or have a measurement focus. Agency Funds include Held for Litigants, Treasurer's Tax Collection, and Special Deposits.

**D. Budgets**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for funds. All annual appropriations lapse at fiscal year end.

The County operates within the budget requirements for Counties as specified by State law. The financial reports reflect the following budgetary standards.

1. By November 1, the County Auditor prepares and files a tentative budget with the County Commission. This tentative budget is reviewed and tentatively adopted by the County Commission.
2. The tentative budget is made available for public inspection at least ten days prior to a public hearing on adoption of the final budget.
3. By resolution, the County Commission legally adopts the final budget by December 15, after a public hearing has been held. A certified copy of the budget is kept available for public inspection.
4. Once adopted, the budget can be amended by subsequent action. Reductions in appropriations can be approved by the County commission, but increased appropriations in the governmental funds require a public hearing prior to amending the budget. Budgets may be increased provided that notice of such action is published five days before the meeting. The budgetary information presented is the final amended budget.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All appropriations lapse following the close of the budget year to the extent that they have not been expended.
7. As determined by State law, the level for which expenditures may not legally exceed appropriations is the total budget of a given department or fund.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents and Temporary Investments**

Unrestricted cash balances of all funds are combined to form a pool of cash and investments which is managed by the County Treasurer in accordance with the Utah Money Management Act. Income from the investment of pooled cash is allocated based upon each fund's portion of the pool. Restricted cash consists of that portion of pooled cash that is restricted for a specific use due to constraints imposed by external parties or enabling legislation, or is cash held in trust in compliance with bond covenant, terms and conditions. When both restricted and unrestricted sources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Investments are recorded at fair value based upon quoted market prices as of December 31, 2004, except where there is no material difference between cost and fair value. The difference between the purchase price and market price when material is recorded as interest income.

Statements of cash flows are presented for proprietary funds under the direct method. For purposes of the statements of cash flows, each fund's allocated portion of pooled cash and investments is considered to be cash and cash equivalents, since this amount is immediately available for use by the fund.

**F. Interfund transactions**

Interfund transactions represent transactions between different funds within the County. In general, interfund activity, including internal service fund transactions, has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenses resulting from such transactions.

**G. Private-sector Standards of Accounting and Financial Reporting**

The County generally applies to both the government-wide and proprietary fund statements all *Financial Accounting Standards Board (FASB) Statements and Interpretations*, APB Opinions, and Accounting Research bulletins issued on or before November 30, 1989, to the extent that those standards do not conflict with or contradict guidance of the *Governmental Accounting Standards Board (GASB)*. The County has elected not to follow private-sector guidance subsequent to that date.

**H. Capital Assets**

Capital assets include land, buildings, improvements other than buildings, leasehold improvements, furniture, fixtures and equipment, vehicles, infrastructure (roads, bridges, lighting and flood control) and construction in progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business-type activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000; real property thresholds vary by type of asset, but are generally established at the same amount. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When constructing capital assets, interest expense incurred relating to governmental activities is not capitalized. Interest on assets being readied for service in proprietary funds is capitalized. During 2004 no interest was capitalized because no significant construction occurred in proprietary funds.

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statements of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	10-40 years
Improvements	5-40 years
Equipment	5-20 years
Vehicles	5-10 years
Infrastructure	20-80 years

**I. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but not used vacation benefits. An estimate of vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements.

**J. Long-term liabilities**

In the government-wide financial statements and proprietary fund statements, long-term debt is reported as a liability. Bond premiums and discounts, defeasance costs, (the difference between the carrying amount of the defeased debt and its reacquisition price in bond refundings), as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**K. Net Assets/Fund Balances**

The difference between assets and liabilities is "Net Assets" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net assets are divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 2. ACCOUNTING RESTATEMENTS**

Adjustments to beginning net assets of governmental activities and business-type activities reported on the Statement of Net Assets resulted in a net decrease in the governmental funds of \$2,513,687 and a net increase of \$30,870 in the business-type activities. The adjustments were a decrease to capital assets, net of accumulated depreciation, resulting primarily from capital assets in the year of GASB 34 implementation (2003) being unintentionally reported more than once. Adjustments to beginning amounts reported for each component of net assets is described in the accompanying schedule.

	December 31, 2003 As Previously Reported	Adjustments to Fund balances/ Net Assets	December 31, 2003 As Restated
<b>Governmental Funds and Activities:</b>			
<b>Major Funds:</b>			
General Fund	\$ 1,962,588	\$ -	1,962,588
Municipal Service Fund	4,948,354	-	4,948,354
Public Safety Fund	79,968	-	79,968
RDA and EDA Fund	1,522,762	-	1,522,762
Total major governmental funds	<u>8,513,672</u>	<u>-</u>	<u>8,513,672</u>
<b>Nonmajor Funds:</b>			
Special Revenue Funds	1,012,922	-	1,012,922
Debt Service Fund	745,357	-	745,357
Capital Project Fund	916,539	-	916,539
Total nonmajor governmental funds	<u>2,674,818</u>	<u>-</u>	<u>2,674,818</u>
<b>Governmental Activities Adjustments:</b>			
Capital assets, net of depreciation	16,530,068	(1,460,614)	15,069,454
Revenue recognition	-	-	-
Expense recognition	-	-	-
Bonds, notes, and leases payable	(7,248,007)	-	(7,248,007)
Compensated absences	(135,840)	-	(135,840)
Internal Service fund conversion	1,626,815	(1,053,073)	573,742
Total governmental activities adjustments	<u>10,773,036</u>	<u>(2,513,687)</u>	<u>8,259,349</u>
Total governmental activities - net assets	<u>\$ 21,961,526</u>	<u>\$ (2,513,687)</u>	<u>\$ 19,447,839</u>
<b>Proprietary Funds and Business-type Activities:</b>			
<b>Major Funds:</b>			
Solid Waste Management Enterprise Fund	\$ 1,102,335	\$ 30,870	\$ 1,133,205
Internal Service Fund	1,626,815	(1,626,815)	-
Total Enterprise Funds and Business-type Activities-net assets	<u>\$ 2,729,150</u>	<u>\$ (1,595,945)</u>	<u>\$ 1,133,205</u>

**BOX ELDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 3. PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due November 30. County property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year. This policy meets the criteria of GASB.

The County collects all property taxes levied by the taxing districts within the County. The tax collections and remittances to the various taxing districts are included in the Treasurer's Trust Fund.

**NOTE 4. RECEIVABLES**

Receivables at December 31, 2004, consist of the following:

	<u>Taxes</u>	<u>Due from other Governments</u>	<u>Accounts</u>	<u>Total</u>
<b>Governmental activities:</b>				
General Fund	\$ 1,266,122	\$ 423,971	\$ 77,054	\$ 1,767,147
Municipal Service Fund	-	468,204	37,323	505,527
Public Safety Fund	-	-	241,898	241,898
RDA and EDA Fund	429,031	-	-	429,031
Nonmajor Funds	537,753	6,487	327,579	871,819
Internal Service Fund	-	-	-	-
Total receivables	<u>\$ 2,232,906</u>	<u>\$ 898,662</u>	<u>\$ 683,854</u>	<u>\$ 3,815,422</u>
<b>Business-type activities:</b>				
Solid Waste Management Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,069</u>	<u>\$ 110,069</u>
<b>Component Unit</b>	<u>\$ 60,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,277</u>

No allowance for uncollectible accounts has been provided for because the County believes that all accounts receivable are collectible.

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004, was as follows:

	<u>Beginning Balance (As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,425,492	\$ -	\$ (47,809)	\$ 2,377,683
Construction in progress	670,485	2,012,149	(51,191)	2,631,443
Total capital assets not being depreciated	<u>3,095,977</u>	<u>2,012,149</u>	<u>(99,000)</u>	<u>5,009,126</u>
Capital assets being depreciated:				
Buildings	9,809,968	32,912	-	9,842,880
Improvements other than buildings	1,898,262	7,000	-	1,905,262
Furniture, machinery and equipment	5,461,823	490,653	-	5,952,476
Vehicles	3,699,976	339,222	(219,714)	3,819,484
Infrastructure	1,041,995	270,600	-	1,312,595
Total capital assets being depreciated	<u>21,912,024</u>	<u>1,140,387</u>	<u>(219,714)</u>	<u>22,832,697</u>
Less accumulated depreciation				
Buildings	(2,439,833)	(344,248)	-	(2,784,081)
Improvements other than buildings	(1,065,003)	(83,964)	-	(1,148,967)
Furniture, machinery and equipment	(4,117,173)	(358,360)	-	(4,475,533)
Vehicles	(1,902,705)	(370,716)	23,424	(2,249,997)
Infrastructure	(413,833)	(18,935)	-	(432,768)
Total accumulated depreciation	<u>(9,938,547)</u>	<u>(1,176,223)</u>	<u>23,424</u>	<u>(11,091,346)</u>
Total capital assets being depreciated, net	<u>11,973,477</u>	<u>(35,836)</u>	<u>(196,290)</u>	<u>11,741,351</u>
Governmental activity capital assets, net	<u>\$ 15,069,454</u>	<u>\$ 1,976,313</u>	<u>\$ (295,290)</u>	<u>\$ 16,750,477</u>

**BOX ELDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 5. CAPITAL ASSETS (Continued)**

**Business-type activities:**

Capital assets not being depreciated:

Land	\$ 363,490	\$ -	\$ -	\$ 363,490
Total assets not being depreciated	<u>363,490</u>	<u>-</u>	<u>-</u>	<u>363,490</u>

Capital assets being depreciated:

Buildings	313,010	-	-	313,010
Improvements other than buildings	965,627	-	-	965,627
Furniture, machinery and equipment	916,930	90,692	-	1,007,622
Vehicles	101,068	28,140	-	129,208
Total capital assets being depreciated	<u>2,296,635</u>	<u>118,832</u>	<u>-</u>	<u>2,415,467</u>

Less accumulated depreciation

Buildings	(92,913)	(24,649)	-	(117,562)
Improvements other than buildings	(210,075)	(33,663)	-	(243,738)
Furniture, machinery and equipment	(409,451)	(87,190)	-	(496,641)
Vehicles	(33,418)	(12,613)	-	(46,031)
Total accumulated depreciation	<u>(745,857)</u>	<u>(158,115)</u>	<u>-</u>	<u>(903,972)</u>

Total capital assets being depreciated, net	<u>1,550,778</u>	<u>(39,283)</u>	<u>-</u>	<u>1,511,495</u>
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Business-type capital assets, net	<u>\$ 1,914,268</u>	<u>\$ (39,283)</u>	<u>\$ -</u>	<u>\$ 1,874,985</u>
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**Component Unit:**

Capital assets not being depreciated:

Land	\$ 170,000	\$ -	\$ -	\$ 170,000
Total capital assets not being depreciated	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>

Capital assets being depreciated:

Infrastructure (flood control)	1,599,700	169,543	-	1,769,243
Total capital assets being depreciated	<u>1,599,700</u>	<u>169,543</u>	<u>-</u>	<u>1,769,243</u>

Less accumulated depreciation:

Infrastructure	(873,067)	(60,375)	-	(933,442)
Total accumulated depreciation	<u>(873,067)</u>	<u>(60,375)</u>	<u>-</u>	<u>(933,442)</u>

Total capital assets being depreciated, net	<u>726,633</u>	<u>109,168</u>	<u>-</u>	<u>835,801</u>
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Component unit capital assets, net	<u>\$ 896,633</u>	<u>\$ 109,168</u>	<u>\$ -</u>	<u>\$ 1,005,801</u>
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Depreciation expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 318,775
Public safety	448,142
Highways and streets	404,454
Planning and economic development	4,852
Total depreciation expense - governmental activities	<u>\$ 1,176,223</u>

**Business-type activities:**

Solid waste management	\$ 158,115
Total depreciation expense - business-type activities	<u>\$ 158,115</u>

**Component Unit:**

Flood control	\$ 60,375
Total depreciation expense - component unit	<u>\$ 60,375</u>



**BOX ELDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 6. RETIREMENT PLANS**

**Plan Description.** Box Elder County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System and Public Safety Retirement System for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy.** Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all paid by the employer for the employee) and Box Elder County is required to contribute 5.61% through June and 7.08% thereafter, of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Box Elder County is required to contribute 9.62% through June and 11.09% thereafter, of their annual covered salary. In the Public Safety Retirement System for employers with Social Security coverage Box Elder County is required to contribute 16.24% through June and 19.08% thereafter, of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The Box Elder County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2004, 2003 and 2002 were \$20,469 \$18,152 and \$16,181, respectively; and for the Noncontributory Retirement System the contributions for December 31, 2004, 2003 and 2002 were \$320,727 \$261,889 and \$239,847, respectively; and for the Public Safety Retirement System, the contributions for December 31, 2004, 2003 and 2002 were \$377,751, \$293,135 and \$257,070 respectively. The contributions were equal to the required contributions for each year.

The County participates in the Utah Retirement System 401(k) plan. Elected officials who have elected to be exempt from the Noncontributory Retirement System are eligible to participate. The County contributes 10.51% of eligible salary. Vesting is immediate. The County contributed \$81,864 in 2004 and employee contributions were \$155,116.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 6. RETIREMENT PLANS (Continued)**

The County also sponsors a 401(a) Defined Contribution Retirement Plan. Employees are eligible to participate upon hire and the County contributes 3% of eligible salary. Vesting is immediate. The County contributed \$71,431 in 2004. This plan was terminated during 2004 and all eligible accounts were rolled into the Utah State Retirement System 401(k) plan.

**NOTE 7. SOLID WASTE CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to report a portion of these closure and postclosure care costs as an expense in each period based on landfill capacity used as of each balance sheet date. The County opened this landfill on August 4, 1998. The landfill has a capacity of 21,474,062 tons with 366,086 tons being used as of December 31, 2004. This results in a current period cost of \$3,963 and a liability of \$17,048 as of December 31, 2004.

The County is required by state and federal laws and regulations to make annual contributions to an escrow fund set up to finance closure and postclosure care. At December 31, 2004, investments of \$249,928 are held for these purposes. These funds are invested in the Utah State Treasurer's Public Treasurer's Investment Fund and reported as restricted cash and cash equivalents on the statement of net assets. The amount required to be set aside and accumulated at December 31, 2004, was \$270,000. The County is not in compliance with the above requirement and plans to deposit additional funds during 2005 into the escrow fund to bring them into compliance. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users or from future tax revenue.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 8. LONG-TERM AND SHORT-TERM OBLIGATIONS**

The County has the following long-term obligations at December 31, 2004.

The County issued \$6,500,000 general obligation bonds dated November 1, 1995, for the purpose of constructing a new public safety facility. The bonds mature over a period of 20 years with final payment occurring December 15, 2015. The bonds expiring after December 31, 2005, were refunded in 2003. The County issued \$4,385,000 general obligation refunding bonds in 2003 and placed \$4,333,951 in a refunding escrow to defease \$4,075,000 of the original general obligation bonds. The amount outstanding on the original bonds at December 31, 2004, is \$4,075,000. The following is the debt service schedule for the remaining period of both bond issues:

1995 G.O. Bonds:

Year	Principal	Interest	Total	Interest Rate
2005	\$ 300,000	\$ 13,950	\$ 313,950	4.65%
	<u>\$ 300,000</u>	<u>\$ 13,950</u>	<u>\$ 313,950</u>	

2003 G.O. Refunding Bonds:

Year	Principal	Interest	Total	Interest Rate
2005	\$ 50,000	\$ 141,960	\$ 191,960	2.50%
2006	365,000	140,710	505,710	2.50%
2007	380,000	131,585	511,585	2.50%
2008	390,000	122,085	512,085	2.50%
2009	400,000	112,335	512,335	3.25%
2010	415,000	99,335	514,335	3.25%
2011	435,000	85,847	520,847	3.50%
2012	445,000	70,623	515,623	3.60%
2013	465,000	54,602	519,602	3.65%
2014	485,000	37,630	522,630	3.75%
2015	505,000	19,443	524,443	3.85%
	<u>\$ 4,335,000</u>	<u>\$ 1,016,155</u>	<u>\$ 5,351,155</u>	

During 1996, the Municipal Building Authority of Box Elder County, a blended component unit of Box Elder County, entered into provisions to issue revenue bonds payable for the construction of a solid waste collection facility.

The solid waste facility bonds closed on November 12, 1996, and are payable over a period of 20 years, maturing December 15, 2016. The following is a debt schedule over the entire period of the bonds:

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 8. LONG-TERM AND SHORT TERM OBLIGATIONS (Continued)**

Year	Principal	Interest	Total	Interest Rate
2005	\$ 110,000	\$ 68,830	\$ 178,830	5.60%
2006	120,000	62,670	182,670	5.65%
2007	105,000	55,890	160,890	4.05%
2008	115,000	51,638	166,638	4.05%
2009	120,000	46,980	166,980	4.05%
2010	125,000	42,120	167,120	4.05%
2011	135,000	37,057	172,057	4.05%
2012	140,000	31,590	171,590	4.05%
2013	145,000	25,920	170,920	4.05%
2014	155,000	20,047	175,047	4.05%
2015	165,000	13,770	178,770	4.05%
2016	175,000	7,088	182,088	4.05%
	<u>\$ 1,610,000</u>	<u>\$ 463,600</u>	<u>\$ 2,073,600</u>	

In 2002, the County issued \$2,070,000 in Taxable Sales Tax Revenue Bonds to refinance other debt incurred in conjunction with the acquisition of land and other facilities for the Redevelopment Agency. The bonds are to be repaid from sales tax generated by development located in the RDA Agri-Business Park. The bonds were dated February 22, 2002, mature on August 1, 2017, and bear interest at a rate of 6.90%. In 2004, the County issued \$1,765,000 in Sales Tax Refunding Bonds and entered into a floating to fixed-rate structure interest rate swap. The terms of the refunding and interest rate swap require the County to pay variable interest based on the 1 month libor rate plus 1.25% to Chase Bank and then for the County to pay the original debt service contract on the 2002 bonds. The County received \$53,000 in up front savings on this bond issue and also receives back the 1 month libor rate plus 1.25%. The 2002 bonds were called and repaid in August 2004 along with any accrued interest. The following is a debt schedule over the period of the refunding bonds:

Year	Principal	Interest	Total
2005	\$ 90,000	\$ 121,785	\$ 211,785
2006	95,000	115,575	210,575
2007	100,000	109,020	209,020
2008	110,000	102,120	212,120
2009	115,000	94,530	209,530
2010	125,000	86,595	211,595
2011	130,000	77,970	207,970
2012	140,000	69,000	209,000
2013	150,000	59,340	209,340
2014	160,000	48,990	208,990
2015	170,000	37,950	207,950
2016	185,000	26,220	211,220
2017	195,000	13,455	208,455
	<u>\$ 1,765,000</u>	<u>\$ 962,550</u>	<u>\$ 2,727,550</u>

In 2003, the County issued \$400,000 in Taxable Sales Tax Revenue Bonds to finance additional construction of infrastructure and facilities for the Redevelopment Agency. The bonds are to be repaid from sales tax generated by development located in the RDA Agri-Business Park. The bonds were dated December 22, 2003, mature on August 1, 2013, and bear interest at a rate of 4.60%. The following is a debt schedule over the period of the bonds:

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 8. LONG-TERM AND SHORT TERM OBLIGATIONS (Continued)**

Year	Principal	Interest	Total
2005	\$ -	\$ 18,400	\$ 18,400
2006	-	18,400	18,400
2007	-	18,400	18,400
2008	6,000	18,400	24,400
2009	72,000	18,124	90,124
2010	75,000	14,812	89,812
2011	79,000	11,362	90,362
2012	82,000	7,728	89,728
2013	86,000	3,956	89,956
	<u>\$ 400,000</u>	<u>\$ 129,582</u>	<u>\$ 529,582</u>

In 2004, the County issued \$333,000 Special Assessment Bonds, Series 2004 and created Special Improvement District #2003-1: Marble Hills Road Project. The bonds mature over a period of ten years with final payment on September 1, 2014. At the time the bonds were issued, assessments for the same amount of funding as the bonds plus interest were filed on land owners in Special Improvement District #2003-1. These assessments are expected to cover the payment of bond principal and interest.

Year	Principal	Interest	Total	Interest Rate
2005	\$ 29,000	\$ 11,485	\$ 40,485	2.00%
2006	30,000	11,335	41,335	2.50%
2007	30,000	10,585	40,585	3.00%
2008	31,000	9,685	40,685	3.25%
2009	32,000	8,677	40,677	3.50%
2010	33,000	7,558	40,558	3.75%
2011	35,000	6,320	41,320	4.00%
2012	36,000	4,920	40,920	4.20%
2013	38,000	3,408	41,408	4.35%
2014	39,000	1,755	40,755	4.50%
	<u>\$ 333,000</u>	<u>\$ 75,728</u>	<u>\$ 408,728</u>	

The County has entered into lease agreements as lessee for financing the acquisition of public safety equipment. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of December 31, 2004.

Equipment (carrying value) \$ 504,165

The following is a schedule of the future minimum lease payments under these leases, and the present value of the net minimum lease payments at December 31, 2004.

Year Ending December 31,	
2005	\$ 51,896
2006	<u>25,948</u>
Total minimum lease payments	77,844
Less: Amount representing interest	<u>(2,705)</u>
Present value of future minimum lease payments	<u>\$ 75,139</u>

The remaining long-term debt consists of compensated absences in the amount of \$166,078.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 8. LONG-TERM AND SHORT TERM OBLIGATIONS (Continued)**

Transactions affecting long-term obligations are as follows:

	Bonds Payable	Leases Payable	Compensated Absences
Governmental activities:			
Balance, Jan. 1	\$ 7,225,000	\$ 121,871	\$ 135,841
Additions	2,098,000	-	25,322
Retirements	(2,190,000)	(46,732)	-
Balance, Dec. 31	<u>\$ 7,133,000</u>	<u>\$ 75,139</u>	<u>\$ 161,163</u>
Due within 1 year	<u>\$ 469,000</u>	<u>\$ 49,396</u>	<u>\$ -</u>
Business-type activities:			
Balance, Jan. 1	\$ 1,715,000	\$ -	\$ 5,980
Additions	-	-	-
Retirements	(105,000)	-	(1,065)
Balance, Dec. 31	<u>\$ 1,610,000</u>	<u>\$ -</u>	<u>\$ 4,915</u>
Due within 1 year	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ -</u>

**Short-term Debt**

The County did not enter into any short-term debt obligations during 2004.

**NOTE 9. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

In 2004, no funds and/or departments had expenditures in excess of budget.

**NOTE 10. CASH AND INVESTMENTS**

The County maintains a Deposit and Investment Pool that is available for use by all funds of the County.

**Deposits**

At December 31, 2004, the carrying amount of the County deposits was \$(145,016) and the bank balance was \$371,883. Of the bank balance, \$206,661 was covered by federal depository insurance. Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes limits for deposit of public money at individual financial institutions, and the County follows these recommendations.

**BOX ELDER COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 10. CASH AND INVESTMENTS (Continued)**

**Investments**

The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953 Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the deposit of County funds in a "qualified depository". The act defined a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The County's investments are categorized to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

	Category #1	Category #2	Category #3	Carrying Amount	Fair Value
Business investment accounts	\$ 11,743,489	\$ -	\$ -	\$ 11,743,489	\$ 11,743,489
U.S. Treasury obligation funds	21	-	-	21	21
	<u>\$ 11,743,510</u>	<u>\$ -</u>	<u>-</u>	<u>11,743,510</u>	<u>11,743,510</u>
Other items:					
Utah Public Treasurer's Investment Fund				8,416,444	8,416,444
Total investments				20,159,954	20,159,954
Cash & deposits				(145,016)	(145,016)
Total cash and investments				<u>\$ 20,014,938</u>	<u>\$ 20,014,938</u>
As reported in the financial statements:					
Cash and cash equivalents - primary government				\$ 6,529,168	
Restricted cash and cash equivalents-primary				3,088,000	
Fiduciary Funds - cash and cash equivalents				10,359,303	
Component unit - cash and cash equivalents				38,467	
				<u>\$ 20,014,938</u>	

The Utah Public Treasurer's Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. The Fund investments must comply with the provisions of the Utah Money Management Act. The Fund is not SEC registered. The fair value of the County's position in the fund is the same as the value of fund shares.

BOX ELDER COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 11. INTERFUND TRANSFERS AND BALANCES**

The following table provides a reconciliation of all interfund transfers:

Fund	Transfers in	Fund	Transfers out
Public Safety Fund	\$ 4,334,853	General Fund	\$ (2,715,514)
General Fund	85,597	Municipal Service Fund	(1,619,339)
		MBA Education Center Fund	(85,597)
	<u>\$ 4,420,450</u>		<u>\$ (4,420,450)</u>

\$4,334,853 of the transfers out of the General Fund and the Municipal Service Fund were used in the Public Safety Fund to fund operations. The remaining \$85,597 transferred from the MBA Education Center Fund was to transfer excess funds back to the General Fund to reimburse the General Fund for outlays when the Education Center was acquired.

Short-term interfund receivables and payables are recorded in the General Fund and the RDA and EDA Fund in the amount of \$111,969 to cover a cash deficit in the RDA and EDA Fund at December 31, 2004. Long-term advances receivable and payable are recorded in the Municipal Service Fund and the RDA and EDA Fund in the amount of \$200,000. These funds were advanced to the RDA and EDA Fund to cover expenditures incurred to continue development of the Agri-Business Park. The advance is required to be repaid by December 31, 2006, with interest at the prime rate plus one percent, which will be the rate charged by Wells Fargo Bank at the time of repayment.

**NOTE 12. SUBSEQUENT EVENTS**

Subsequent to December 31, 2004, the County was notified of an environmental clean up issue at the Road Department facility. An evaluation of the extent of the clean up is presently under way and the County has been informed that the cost of the clean up could approximate \$250,000 over the next three years.

Also, subsequent to December 31, 2004, the County was notified by the Utah Department of Transportation of an overpayment of Class B road funds. The funds are required to be repaid in 2005. The amount to be repaid is approximately \$250,000.



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**SUPPLEMENTAL INFORMATION**

BOX ELDER COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	Special Revenue Funds			
	MBA Education Center Fund	MBA Building Fund	Library Fund	Special Service Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,914	\$ 228,946	\$ 271,287	\$ 265,222
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	-	-	179,897	-
Due from other governments	-	-	6,487	-
Restricted cash and cash equivalents	-	-	-	-
<b>Total assets</b>	<u>\$ 9,914</u>	<u>\$ 228,946</u>	<u>\$ 457,671</u>	<u>\$ 265,222</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue-special assessments	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Unreserved:				
Designated:				
Debt service	-	-	-	-
Capital projects	-	228,946	-	-
Undesignated:	9,914	-	457,671	265,222
<b>Total fund balances</b>	<u>9,914</u>	<u>228,946</u>	<u>457,671</u>	<u>265,222</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,914</u>	<u>\$ 228,946</u>	<u>\$ 457,671</u>	<u>\$ 265,222</u>

<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 395,054	\$ 877,216	\$ 2,047,639
327,579	-	327,579
357,856	-	537,753
-	-	6,487
-	-	-
<u>\$ 1,080,489</u>	<u>\$ 877,216</u>	<u>\$ 2,919,458</u>
\$ -	\$ 710	710
<u>327,579</u>	-	<u>327,579</u>
<u>327,579</u>	<u>710</u>	<u>328,289</u>
752,910	-	752,910
-	876,506	1,105,452
-	-	732,807
<u>752,910</u>	<u>876,506</u>	<u>2,591,169</u>
<u>\$ 1,080,489</u>	<u>\$ 877,216</u>	<u>\$ 2,919,458</u>

**BOX ELDER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Special Revenue Funds			
	MBA Education Center Fund	MBA Building Fund	Library Fund	Special Service Fund
<b>REVENUES</b>				
Taxes				
Property	\$ -	\$ -	\$ 242,819	\$ -
Sales	-	-	-	-
Restaurant	-	-	-	-
Transient room	-	-	-	-
Intergovernmental	-	-	12,975	119,837
Investment earnings	-	4,276	5,381	3,908
Special assessments	-	-	-	-
Miscellaneous	-	-	75	-
<b>Total revenues</b>	<u>-</u>	<u>4,276</u>	<u>261,250</u>	<u>123,745</u>
<b>EXPENDITURES</b>				
General government	-	-	-	73,578
Culture and recreation	-	-	246,111	-
Capital outlay	-	35,154	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>35,154</u>	<u>246,111</u>	<u>73,578</u>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<u>-</u>	<u>(30,878)</u>	<u>15,139</u>	<u>50,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(85,597)	-	-	-
Special assessment bonds issued	-	-	-	-
Special assessment bonds issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(85,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(85,597)</u>	<u>(30,878)</u>	<u>15,139</u>	<u>50,167</u>
Fund balances-beginning	95,511	259,824	442,532	215,055
<b>Fund balances-ending</b>	<u>\$ 9,914</u>	<u>\$ 228,946</u>	<u>\$ 457,671</u>	<u>\$ 265,222</u>

<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 466,597	\$ -	\$ 709,416
-	-	-
-	-	-
-	24,167	24,167
-	-	132,812
3	-	13,568
5,421	-	5,421
-	-	75
<u>472,021</u>	<u>24,167</u>	<u>885,459</u>
-	-	73,578
-	-	246,111
277,632	64,200	376,986
340,000	-	340,000
<u>170,655</u>	<u>-</u>	<u>170,655</u>
<u>788,287</u>	<u>64,200</u>	<u>1,207,330</u>
<u>(316,266)</u>	<u>(40,033)</u>	<u>(321,871)</u>
-	-	-
-	-	(85,597)
333,000	-	333,000
(9,181)	-	(9,181)
-	-	-
-	-	-
<u>323,819</u>	<u>-</u>	<u>238,222</u>
7,553	(40,033)	(83,649)
745,357	916,539	2,674,818
<u>\$ 752,910</u>	<u>\$ 876,506</u>	<u>\$ 2,591,169</u>

BOX ELDER COUNTY  
MBA EDUCATION CENTER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
<b>Taxes:</b>			
Property	\$ -	\$ -	-
Restaurant	-	-	-
Transient room	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government:			
Contributions to other governments	-	-	-
Total general government	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(85,597)	(85,597)	-
Capital leases	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>(85,597)</u>	<u>(85,597)</u>	<u>-</u>
Net change in fund balances	<u>(85,597)</u>	<u>(85,597)</u>	<u>-</u>
Fund balances - beginning	95,511	95,511	-
Fund balances - ending	<u>\$ 9,914</u>	<u>\$ 9,914</u>	<u>\$ -</u>

BOX ELDER COUNTY  
MBA BUILDING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Restaurant	-	-	-
Transient room	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	-	4,276	4,276
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>4,276</u>	<u>4,276</u>
EXPENDITURES			
General government	-	-	-
Culture and recreation	-	-	-
Capital outlay	125,000	35,154	89,846
Debt service	-	-	-
Total expenditures	<u>125,000</u>	<u>35,154</u>	<u>89,846</u>
Excess of revenues over expenditures	<u>(125,000)</u>	<u>(30,878)</u>	<u>94,122</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Capital leases	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(125,000)</u>	<u>(30,878)</u>	<u>94,122</u>
Fund balances - beginning	259,824	259,824	-
Fund balances - ending	<u>\$ 134,824</u>	<u>\$ 228,946</u>	<u>\$ 94,122</u>



BOX ELDER COUNTY  
LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes:			
Property	\$ 216,600	\$ 242,819	\$ 26,219
Restaurant	-	-	-
Transient room	-	-	-
Licenses and permits	-	-	-
Intergovernmental	13,500	12,975	(525)
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	-	5,381	5,381
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	75	75
Total revenues	<u>230,100</u>	<u>261,250</u>	<u>31,150</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Culture and recreation	250,000	246,111	3,889
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>250,000</u>	<u>246,111</u>	<u>3,889</u>
Excess of revenues over expenditures	<u>(19,900)</u>	<u>15,139</u>	<u>35,039</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Capital leases	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(19,900)</u>	<u>15,139</u>	<u>35,039</u>
Fund balances - beginning	442,532	442,532	-
Fund balances - ending	<u>\$ 422,632</u>	<u>\$ 457,671</u>	<u>\$ 35,039</u>

BOX ELDER COUNTY  
SPECIAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Restaurant	-	-	-
Transient room	-	-	-
Licenses and permits	-	-	-
Intergovernmental	125,000	119,837	(5,163)
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	-	3,908	3,908
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>125,000</u>	<u>123,745</u>	<u>(1,255)</u>
EXPENDITURES			
General government	125,000	73,578	51,422
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>125,000</u>	<u>73,578</u>	<u>51,422</u>
Excess of revenues over expenditures	<u>-</u>	<u>50,167</u>	<u>50,167</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Capital leases	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>50,167</u>	<u>50,167</u>
Fund balances - beginning	215,055	215,055	-
Fund balances - ending	<u>\$ 215,055</u>	<u>\$ 265,222</u>	<u>\$ 50,167</u>

BOX ELDER COUNTY  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 484,600	\$ 466,597	\$ (18,003)
Restaurant	-	-	-
Transient room	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Special assessments	-	5,421	5,421
Investment earnings	-	3	3
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>484,600</u>	<u>472,021</u>	<u>(12,579)</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Culture and recreation	-	-	-
Capital outlay	280,000	277,632	2,368
Debt service:			
Principal	290,000	340,000	(50,000)
Interest and fiscal charges	240,558	170,655	69,903
Total expenditures	<u>810,558</u>	<u>788,287</u>	<u>22,271</u>
Excess of revenues over expenditures	<u>(325,958)</u>	<u>(316,266)</u>	<u>9,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Special assessment bonds issued	333,000	333,000	-
Special assessment bonds issuance costs	-	(9,181)	(9,181)
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>333,000</u>	<u>323,819</u>	<u>(9,181)</u>
Net change in fund balances	7,042	7,553	511
Fund balances - beginning	745,357	745,357	-
Fund balances - ending	<u>\$ 752,399</u>	<u>\$ 752,910</u>	<u>\$ 511</u>

BOX ELDER COUNTY  
CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Restaurant	-	-	-
Transient room	22,804	24,167	1,363
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
Payments in lieu of taxes	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>22,804</u>	<u>24,167</u>	<u>1,363</u>
EXPENDITURES			
General government	-	-	-
Culture and recreation	-	-	-
Capital outlay	66,120	64,200	1,920
Debt service	-	-	-
Total expenditures	<u>66,120</u>	<u>64,200</u>	<u>1,920</u>
Excess of revenues over expenditures	<u>(43,316)</u>	<u>(40,033)</u>	<u>3,283</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Capital leases	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(43,316)</u>	<u>(40,033)</u>	<u>3,283</u>
Fund balances - beginning	916,539	916,539	-
Fund balances - ending	<u>\$ 873,223</u>	<u>\$ 876,506</u>	<u>\$ 3,283</u>

BOX ELDER COUNTY  
SCHEDULE OF TAXES CHARGED AND COLLECTED - CURRENT AND PRIOR YEAR  
DECEMBER 31, 2004

ENTITY	CURRENT YEAR TAXES							
	1	2	3	4	5	6	7	8
	YEAR-END VALUE (AFTER BOE)	RDA VALUE	ADJUSTED VALUE (1-2)	PERSONAL PROPERTY VALUES	REAL PROPERTY VALUES (3-4)	CURRENT REAL PROP TAX RATE	REAL PROP. TAXES CHARGED (5x6)	PRIOR YR PERSONAL PROP TAX RATE
Box Elder County General	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.001892	2,941,532	0.001510
Box Elder County School District	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.006408	9,962,651	0.006388
Bear River City	20,224,512	-	20,224,512	263,755	19,960,757	0.000490	9,781	0.000497
Brigham City	538,842,370	27,642,827	511,199,543	76,690,951	434,508,592	0.002626	1,141,020	0.002601
Corinne	26,871,704	-	26,871,704	8,226,589	18,645,115	0.001579	29,441	0.001548
Deweyville	12,185,736	-	12,185,736	324,434	11,861,302	0.000250	2,965	0.000250
Elwood City	25,832,601	1,347,137	24,485,464	629,086	23,856,378	0.000352	8,397	0.000371
Fielding	9,240,907	-	9,240,907	254,661	8,986,246	0.000923	8,294	0.000943
Garland	46,460,567	1,126,634	45,333,933	3,950,372	41,383,561	0.003158	130,689	0.003336
Honeyville	40,490,062	-	40,490,062	1,385,229	39,104,833	0.001066	41,686	0.001060
Howell	6,593,614	-	6,593,614	91,153	6,502,461	0.000311	2,022	0.000300
Mantua	22,933,016	-	22,933,016	31,036	22,901,980	0.002395	54,850	0.002395
Perry	116,002,383	-	116,002,383	5,464,516	110,537,867	0.001989	219,860	0.001783
Plymouth	7,620,035	-	7,620,035	62,098	7,557,937	0.001995	15,078	0.002075
Portage	5,435,779	-	5,435,779	77,798	5,357,981	0.001751	9,382	0.001774
Snowville	7,181,280	-	7,181,280	1,268,173	5,913,107	0.001297	7,669	0.001226
Tremonton	294,827,551	97,545,786	197,281,765	87,207,659	110,074,106	0.002443	268,911	0.002389
Willard	55,542,368	-	55,542,368	1,584,595	53,957,773	0.001028	55,469	0.001007
Mosquito Abatement	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.000328	509,948	0.000327
Corinne Cemetery	96,071,455	45,020,394	51,051,061	18,762,403	32,288,658	0.000175	5,651	0.000135
East Garland Cemetery	9,549,804	-	9,549,804	16,214	9,533,590	0.000160	1,525	0.000162
Fielding Cemetery	26,406,172	-	26,406,172	619,582	25,786,590	0.000158	4,074	0.000164
Garland Cemetery	203,258,732	93,825,570	109,433,162	82,244,171	27,188,991	0.000181	4,921	0.000174
Penrose Cemetery	4,897,044	-	4,897,044	2,608	4,894,436	0.000249	1,219	0.000268
Plymouth Cemetery	85,725,764	-	85,725,764	50,558,908	35,166,856	0.000209	7,350	0.000201
Portage Cemetery	11,048,360	-	11,048,360	80,105	10,968,255	0.000320	3,510	0.000311
Riverside Cemetery	13,959,238	-	13,959,238	427,413	13,531,825	0.000180	2,436	0.000191
Willard Cemetery	115,829,039	-	115,829,039	2,392,323	113,436,716	0.000187	21,213	0.000188
Weber Basin Water Conservancy Dist.	16,647,142	-	16,647,142	1	16,647,141	0.000198	3,296	0.000196
Hansel Valley	4,777,375	-	4,777,375	3,350	4,774,025	0.000381	1,819	0.000376
Willard Flood	100,727,719	-	100,727,719	2,331,762	98,395,957	0.000378	37,194	0.000378
Service Area #2	8,956,800	-	8,956,800	49,705	8,907,095	0.000339	3,020	0.000359
Grouse Creek Special Service District	5,302,289	-	5,302,289	58,148	5,244,141	0.000382	2,003	0.000371
Riverside Special Service District	11,528,582	-	11,528,582	191,069	11,337,513	0.000230	2,608	0.000256
Perry Flood	117,914,195	-	117,914,195	5,415,856	112,498,339	0.000392	44,099	0.000388
Bear River Water Conservancy District	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.000167	259,638	0.000166
Bona Vista Water Improvement District	12,712,505	-	12,712,505	-	12,712,505	0.000322	4,093	0.000317
Box Elder County Library	1,226,027,215	46,367,531	1,179,659,684	210,905,059	968,754,625	0.000178	172,438	0.000181
Assessing and Collecting - Multi-County	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.000180	279,850	0.000181
Assessing and Collecting - County	2,106,157,703	172,682,778	1,933,474,925	378,754,040	1,554,720,885	0.000183	284,514	0.000190
Brigham #1 and #2 (RDA)	-	-	10,597,468	-	10,597,468	-	124,881	-
Brigham #3 (RDA)	-	-	18,252,467	-	18,252,467	-	215,087	-
Tremonton #1 (RDA)	-	-	4,694,261	-	4,694,261	-	54,458	-
Elwood RDA	-	-	1,384,452	-	1,384,452	-	13,413	-
Garland Ind (RDA)	-	-	864,880	-	864,880	-	10,808	-
Freeway I N D P (RDA)	-	-	17,636,924	-	17,636,924	-	207,798	-
Downtown Garland (RDA)	-	-	262,757	-	262,757	-	3,284	-
Economic Development Area (RDA)	-	-	42,701,092	-	42,701,092	-	406,130	-
Tenth North (RDA)	-	-	66,231,756	-	66,231,756	-	780,343	-
Total	-	-	-	-	-	-	18,382,319	-

9	10	11	12	13	14	15	16	17	18	19	20
PERSONAL PROP TAXES CHARGED (4x8)	TOTAL TAXES CHARGED (7+9)	UNPAID TAXES	ABATE- MENTS	OTHER	TOTAL (11+12+13)	TOTAL COLLECTIONS (10-14)	RATE (15/10)	FEE IN LIEU	MISC COLLECTION	TAX	INTEREST & PENALTY
571,919	3,513,451	93,822	21,581	59,564	174,967	3,338,484	95.02%	489,175	126,224	103,008	10,175
2,419,292	12,381,943	312,840	68,960	317,780	699,580	11,682,363	94.35%	2,069,855	454,384	441,049	42,734
131	9,912	241	91	431	763	9,149	92.30%	4,179	225	482	28
199,473	1,340,493	42,935	13,193	49,087	105,215	1,235,278	92.15%	274,255	54,634	45,577	3,965
12,735	42,175	1,043	204	1,041	2,288	39,887	94.58%	8,557	468	1,416	146
81	3,046	251	30	168	449	2,597	85.26%	1,177	65	274	51
233	8,631	196	12	609	817	7,814	90.53%	2,572	314	301	31
240	8,534	268	115	202	585	7,949	93.15%	4,122	135	442	34
13,178	143,868	3,991	871	4,912	9,774	134,094	93.21%	41,356	6,599	6,204	378
1,468	43,154	1,780	490	1,191	3,461	39,693	91.98%	8,451	367	1,302	92
27	2,050	53	-	14	67	1,983	96.73%	647	26	74	13
74	54,925	1,758	730	1,218	3,706	51,219	93.25%	14,674	510	517	8
9,743	229,603	741	1,490	1,572	3,803	225,800	98.34%	42,101	8,036	5,209	467
129	15,207	1,376	65	853	2,294	12,913	84.91%	5,030	168	1,433	165
138	9,520	795	80	385	1,260	8,260	86.76%	3,087	137	673	94
1,555	9,224	286	-	3	289	8,935	96.87%	4,543	157	807	117
208,339	477,250	6,556	2,326	23,923	32,805	444,445	93.13%	100,387	158,782	19,595	1,939
1,596	57,064	3,641	796	3,456	7,893	49,171	86.17%	16,691	(1,510)	4,487	427
123,853	633,801	17,453	3,530	14,981	35,964	597,837	94.33%	105,932	23,233	21,801	1,943
2,533	8,183	42	23	(1,403)	(1,338)	9,521	116.35%	1,498	1,505	228	22
3	1,528	63	16	18	97	1,431	93.65%	168	76	38	4
102	4,176	48	26	62	136	4,040	96.74%	979	114	116	9
14,310	19,232	-	78	1,044	1,122	18,110	94.17%	3,369	1,811	526	36
1	1,219	51	-	22	73	1,146	94.01%	156	23	147	22
10,162	17,512	1,352	16	125	1,493	16,019	91.47%	515	223	311	30
25	3,535	235	38	125	398	3,137	88.74%	600	34	184	26
82	2,517	73	12	57	142	2,375	94.36%	498	27	128	17
450	21,662	1,397	-	844	2,241	19,421	89.65%	4,165	369	1,220	111
0	3,296	-	10	(21)	(11)	3,307	100.33%	-	10	15	2
1	1,820	3	-	(4)	(1)	1,821	100.05%	6	6	103	5
881	38,075	3,017	395	655	4,067	34,008	89.32%	8,344	1,078	2,206	22
18	3,037	133	19	-	152	2,885	95.00%	347	15	40	38
22	2,025	151	-	-	151	1,874	92.54%	151	10	86	15
49	2,657	83	15	56	154	2,503	94.20%	589	30	165	24
2,101	46,201	491	294	666	1,451	44,750	96.86%	9,146	1,687	1,478	99
62,873	322,512	8,875	1,797	7,566	18,238	304,274	94.35%	53,775	11,826	11,365	1,104
-	4,093	-	-	43	43	4,050	98.95%	-	12	1	1
38,174	210,612	3,424	803	5,087	9,314	201,298	95.58%	29,691	16,515	7,128	684
68,554	348,404	9,743	1,937	8,148	19,828	328,576	94.31%	58,629	12,793	12,530	1,255
71,963	356,477	13,274	1,969	5,436	20,679	335,798	94.20%	61,550	13,128	12,987	1,251
-	124,881	321	-	(7,164)	(6,843)	131,724	105.48%	-	-	-	-
-	215,087	-	-	19,214	19,214	195,873	91.07%	-	-	-	-
-	54,458	151	-	(4,324)	(4,173)	58,631	107.66%	-	-	-	-
-	13,413	-	-	362	362	13,051	97.30%	-	-	-	-
-	10,808	28	-	(282)	(254)	11,062	102.35%	-	-	-	-
-	207,798	-	-	90,584	90,584	117,214	56.41%	-	-	-	-
-	3,284	12	-	753	765	2,519	76.71%	-	-	-	-
-	406,130	842	-	(24,423)	(23,581)	429,711	105.81%	-	-	-	-
-	780,343	-	-	(189,878)	(189,878)	970,221	124.33%	-	-	-	-
3,836,509	22,218,827	533,835	122,012	394,758	1,050,605	21,168,222	-	3,430,967	894,246	705,653	67,584

BOX ELDER COUNTY  
 DETAIL SCHEDULE OF INTERGOVERNMENTAL PAYABLE -  
 TREASURER'S AGENCY FUND  
 DECEMBER 31, 2004

ENTITY	AMOUNTS DUE
Box Elder County General	\$ 830,517
Box Elder County Debt Service	357,856
Box Elder County School District	4,023,947
Bear River City	3,158
Brigham City	448,551
Corinne	29,460
Deweyville	23,238
Elwood	8,539
Fielding	8,870
Garland	42,126
Honeyville	15,566
Howell	2,106
Mantua	15,917
Perry	231,221
Plymouth	37,266
Portage	9,345
Snowville	4,313
Tremonton	151,082
Willard	16,587
Mosquito Abatement	211,481
Corinne Cemetery	12,509
East Garland Cemetery	1,566
Fielding Cemetery	5,476
Garland Cemetery	7,574
Penrose Cemetery	1,297
Plymouth Cemetery	5,105
Portage Cemetery	3,677
Riverside Cemetery	2,488
Willard Cemetery	142,316
Weber Basin Water Conservancy Dist.	3,536
Hansel Valley	1,552
Willard Flood	38,110
Service Area #2	3,095
Grouse Creek Special Service District	2,081
Riverside Special Service District	5,945
Perry Flood	60,277
Bear River Water Conservancy District	107,642
Bona Vista Water Improvement District	4,082
Box Elder County Library	179,897
Assessing and Collecting - Multi-County	423,971
Assessing and Collecting - County	435,605
Brigham #1 and #2 (RDA)	126,644
Tremonton #1 (RDA)	56,379
Brigham #3 (RDA)	200,135
Garland Ind (RDA)	10,836
Freeway I N D P (RDA)	116,135
Downtown Garland (RDA)	3,283
Economic Development Area (RDA)	429,031
Tenth North (RDA)	977,544
Elwood RDA	13,117
Misc fees & refunds	213,975
Centrally assessed refunds	-
Belmont Drainage District	1,642
Corinne Drainage District	33,422
Elwood Drainage District	4,435
Iowa Springs Drainage District	9,230
Tremonton-Garland Drainage District	17,403
Weber Basin Repay Assessment	27,215
Weber Box Elder Conservancy District	101,020
<b>Total</b>	<b>\$ 10,260,393</b>

**BOX ELDER COUNTY**  
**MANAGEMENT REPORT**  
**DECEMBER 31, 2004**



**BOX ELDER COUNTY  
MANAGEMENT REPORT  
DECEMBER 31, 2004**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the County Commissioners  
Box Elder County  
Brigham City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Box Elder County, as of and for the year ended December 31, 2004, which collectively comprise Box Elder County's basic financial statements and have issued our report thereon dated June 27, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Box Elder County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting which we have reported to management in the accompanying Schedule of Findings, Recommendations and Responses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Box Elder County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Box Elder County, in the accompanying Schedule of Findings, Recommendations, and Responses.

This report is intended for the information and use of the management, County Commissioners, grant awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wiggins & Co., PC*

Brigham City, Utah  
June 27, 2005

**INDEPENDENT AUDITORS' REPORT ON  
STATE OF UTAH LEGAL COMPLIANCE**

To the County Commissioners  
Box Elder County  
Brigham City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Box Elder County for the year ended December 31, 2004, and have issued our report thereon dated June 27, 2005. As part of our audit, we have audited the County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2004. The County received the following major State assistance programs from the State of Utah:

Mineral Lease (Department of Transportation)

The County also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of the County's financial statements.)

Emergency Management Grants (Department of Administrative Services)  
Bookmobile Library Transition Grant (Utah State Library Division)  
Local Law Enforcement Grant (Commission on Criminal & Juvenile Justice)  
Fire Control Grants  
LEPC Grant

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Liquor Law Enforcement  
Justice Courts Compliance

Other General Compliance Issues  
Uniform Building Code Standards  
Statement of Taxes Charged, Collected and  
Disbursed - Current and Prior Years  
Transient Room Taxes  
B & C Road Funds  
Assessing and Collecting of Property Taxes

The management of Box Elder County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings, Recommendations and Responses. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Box Elder County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

*Wiggins & Co., PC*

Brigham City, Utah  
June 27, 2005

**BOX ELDER COUNTY**  
**SCHEDULE OF FINDINGS, RECOMMENDATION AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

The following finding is an immaterial instance of noncompliance with Utah State Legal requirements.

**04-01 RECORDS RETENTION**

**FINDING**

The County's records retention policy indicates that the Monthly Recorder's Report is to be retained for one year and then after one year it may be destroyed. We noted the reports are only retained for a few months and then are destroyed.

**RECOMMENDATION**

We recommend that the Monthly Recorder's Report be retained in accordance with the County's record retention policy.

**RESPONSE**

The County Recorder's office agrees with this finding and has retained the reports in accordance with record retention policy since the finding was brought to their attention.

Other compliance findings:

**04-02 STATE MONEY MANAGEMENT POLICY**

**FINDING**

The County entered into an interest rate swap agreement when the 2002 Sales Tax Revenue Bonds were refunded with the issuance of the 2004 Sales Tax Revenue Refunding Bonds. Under section 51-7-18.2 Utah Code Annotated, as amended and State Money Management Council Rule 628-18-8, the County Treasurer is directed to submit a report to the State Money Management Council within 30 days after each June 30 and December 31 of each year while the 2004 swap is outstanding reporting on required information. The report for the six month period ended December 31, 2004, was not filed with the State Money Management Council until June 14, 2004.

**BOX ELDER COUNTY  
SCHEDULE OF FINDINGS, RECOMMENDATION AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**04-02 STATE MONEY MANAGEMENT POLICY (continued)**

**RECOMMENDATION**

We recommend that the County Treasurer file the report within the required time frame.

**RESPONSE**

The County Treasurer was not aware of this requirement until it was brought to his attention by the independent auditors. As soon as he found out about the requirement, the information was sent to the State Money Management Council. The information will be sent within the required time frame as long as the swap agreement is outstanding.

**INTERNAL CONTROL OVER FINANCIAL REPORTING MATTERS**

**04-03 TREASURER'S TAX FUND**

**FINDING**

While much improved over prior years, the system used to compile the TC-750 form is still in need of enhanced controls. The accumulated data that is reported on the TC-750 form is not documented in a specific, reconcilable format and is very difficult to verify. The initial form submitted by the Treasurer's office for 2003 had to be re-worked due to the fact that many of the numbers in the columns of the report did not reconcile with the appropriate supporting information and with the funds deposited in the bank. A considerable amount of time was necessary to fairly report the amounts on the TC-750 report so that they reconciled with the monthly activity.

**RECOMMENDATION**

We recommend that the Treasurer's office reconcile the amounts reported on the TC-750 report with the actual monthly activity. This reconciliation would make the year end reporting much more meaningful and would save a considerable amount of time in adjusting the report to agree with the actual activity.

**BOX ELDER COUNTY**  
**SCHEDULE OF FINDINGS, RECOMMENDATION AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**04-03 TREASURER'S TAX FUND (continued)**

**RESPONSE**

Reconciliation of the TC-750 report has been a difficult problem because of issues with the County's computerized property tax system. The County Treasurer now believes that those issues have been resolved to the extent that the system will be able to be reconciled as recommended.

**04-04 PROOF OF CASH RECONCILIATIONS**

**FINDING**

We noted during our audit that revenue account bank reconciliations are prepared monthly, however, the reconciliation is not reconciled to the pooled cash balances reported on the general ledger. This resulted in several deposits that were made directly to the bank and investment accounts not being recorded on the general ledger. These deposits were discovered during the audit. We also noted that several old, outstanding checks were included on both the revenue fund and tax fund bank reconciliations.

**RECOMMENDATION**

We recommend that a proof of cash be prepared monthly and that it be used to reconcile the amounts recorded on the general ledger and the amounts recorded in the pooled accounts. We also recommend that the proof of cash be reviewed by the Treasurer and that the review be noted on the face of the reconciliation. We also recommend that all outstanding checks over one year old be investigated and, if necessary, cleared from the reconciliation and sent to the Unclaimed Property Division of the State of Utah as required by state statutes.

**RESPONSE**

The County agrees with this recommendation and has taken steps to see that a proof of cash is prepared and all adjustments are recorded on the general ledger.



**BOX ELDER COUNTY**  
**SCHEDULE OF FINDINGS, RECOMMENDATION AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**04-05 GRANT DOCUMENTS**

**FINDING**

We noted that several departments of the County apply for grants from various entities and that each department keeps the grant documents. This practice makes it difficult to obtain information related to compliance with the grant and makes auditing of revenue more difficult.

**RECOMMENDATION**

One of the duties, as outlined in state statutes, of the County Clerk is to track and retain contracts, grants and other official documents of the County. The County Auditor is to ensure that all disbursements are legal and in accordance with applicable statutes. We recommend that the original grant agreement be kept on file with the County Clerk so all County documents are available at one central location. We also recommend that the County Auditor's office be given a copy of the grant document so that personnel in the Auditor's office are aware of the requirements and provisions of the grant to ensure that compliance with such provisions occurs.

**RESPONSE**

The County agrees with this recommendation and will contact all departments to ensure that the grant documents are sent to the County Clerk and County Auditor.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-01 BUDGETARY COMPLIANCE**

**FINDING**

The State of Utah legal statutes require that expenditures for any department or fund of a governmental entity not exceed the authorized appropriation in the budget. The following funds/departments of the County overspent the authorized appropriation in the budget.

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Fund:			
Justice Court	\$ 254,521	\$ 253,700	\$ 821
Capital Outlay	\$ 256,965	\$ 242,207	\$ 14,758
Special Revenue Funds:			
Municipal Service Fund	\$ 3,541,233	\$ 3,276,725	\$ 264,508

**RECOMMENDATION**

We recommend that the County monitor the budgets that have been approved and review the monthly reports carefully so that as actual results approach appropriated amounts, department heads will be warned and, if necessary, adjustments can be approved by the County Commission prior to year end.

**STATUS**

Implemented.

**03-02 TRUTH IN TAXATION**

**FINDING**

The Utah State Tax Commission requires the filing of form TC-693, Tax Rate Summary. The form includes a column entitled, Budgeted Revenue. The amounts in the column should be the same as the revenue amounts in the County's original budget. It was noted that all of the amounts on each TC-693 were in agreement except the amount for Multi-County Assessing and Collecting.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-02 TRUTH IN TAXATION (continued)**

**RECOMMENDATION**

We recommend that the County Auditor ensure that the amount reported on form TC-693 agree with the amount in the originally adopted budget.

**STATUS**

Implemented.

**INTERNAL CONTROL OVER FINANCIAL REPORTING MATTERS**

**03-03 TREASURER'S TAX FUND**

**FINDING**

While much improved over prior years, the system used to compile the TC-750 form is still in need of enhanced controls. The accumulated data that is reported on the TC-750 form is not documented in a specific, reconcilable format and is very difficult to verify. The initial form submitted by the Treasurer's office for 2003 had to be re-worked due to the fact that many of the numbers in the columns of the report did not reconcile with the appropriate supporting information and with the funds deposited in the bank. A considerable amount of time was necessary to fairly report the amounts on the TC-750 report so that they reconciled with the monthly activity.

**RECOMMENDATION**

We recommend that the Treasurer's office reconcile the amounts reported on the TC-750 report with the actual monthly activity. This reconciliation would make the year end reporting much more meaningful and would save a considerable amount of time in adjusting the report to agree with the actual activity.

**STATUS**

Still an issue in 2004, see 04-03.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-03 TREASURER'S TAX FUND (continued)**

**FINDING**

We noted that there is a segregation of duties problem with the accounting work done in the Treasurer's Tax Fund. One county employee reconciles the receipts, prepares the checks to the various taxing entities, prepares the monthly reconciliation of funds received, apportioned and payments made and the reconciliation of the bank account.

**RECOMMENDATION**

We recommend that the monthly bank reconciliation be prepared by a different employee so that it can serve a check and balance of the system. This will enhance the controls in this area.

**STATUS**

Implemented.

**03-04 CHANGES TO THE TAX ROLLS**

**FINDING**

Once the property assessments or valuations for property tax purposes are finalized by the Assessor's office, the assessments or valuations are required by state statutes to be turned over to the Auditor's office and an affidavit stating such be entered into by the Assessor and the Auditor. Once the assessment rolls or valuations have been transferred, the Auditor's office is to control the rolls and personnel in the Assessor's office should have no access to the rolls. Any adjustments to the rolls are to be originated and approved by the Auditor's office. We noted during our audit that the tax system presently in use does not lock the personnel in the Assessor's office out of the tax rolls. This provides the opportunity for unauthorized changes to be made to the tax rolls by personnel in the Assessor's office.

**RECOMMENDATION**

We recommend that the County set up a protection in the tax system which allows for compliance with state statutes by locking out further access to the tax rolls by any personnel in the Assessor's office once the tax rolls are transferred to the Auditor's office.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-04 CHANGES TO THE TAX ROLLS (continued)**

**STATUS**

Implemented.

**03-05 TAX ANTICIPATION NOTES**

**FINDING**

We noted that the payoff of the tax anticipation notes was not properly recorded on the general ledger.

**RECOMMENDATION**

We recommend that the issuance and payoff of this type of debt be accurately recorded on the general ledger. This should be part of the closing process for the month in which the payoff occurs. The Auditor's office has the responsibility to ensure that the general ledger information is as accurate as possible. Someone in that office should ensure that this type of activity is recorded when incurred or paid.

**STATUS**

No tax anticipation notes were issued in 2004 so this was not an issue.

**03-06 COUNTY CONFLICT OF INTEREST POLICY**

**FINDING**

We noted a few instances where it appeared that conflicts of interest could be in question.

**RECOMMENDATION**

We recommend that the County review the conflict of interest policy to ensure that it complies with state statutes and reiterate it to all employees. The County may want to require an annual declaration by all employees and elected officials. In instances where a perceived conflict may exist, it should be declared and documented.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-06 COUNTY CONFLICT OF INTEREST POLICY (continued)**

**RESPONSE**

Implemented.

**03-07 PROOF OF CASH RECONCILIATIONS**

**FINDING**

We noted during our audit that revenue account bank reconciliations are prepared monthly, however, the reconciliation is not reconciled to the pooled cash balances reported on the general ledger. This resulted in several deposits that were made directly to the bank and investment accounts not being recorded on the general ledger. These deposits were discovered during the audit. We also noted that several old, outstanding checks were included on both the revenue fund and tax fund bank reconciliations.

**RECOMMENDATION**

We recommend that a proof of cash be prepared monthly and that it be used to reconcile the amounts recorded on the general ledger and the amounts recorded in the pooled accounts. We also recommend that the proof of cash be reviewed by the Treasurer and that the review be noted on the face of the reconciliation. We also recommend that all outstanding checks over one year old be investigated and, if necessary, cleared from the reconciliation and sent to the Unclaimed Property Division of the State of Utah as required by state statutes.

**STATUS**

Not implemented, see 04-04.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-08 ADVISORY BOARDS**

**FINDING**

We noted during our audit, that the County has many advisory boards, some who are very active and some who are not. We noted that the Fair Advisory Board is a very active board and the President of that Board takes a very active role in overseeing the affairs of the annual County Fair. However, we found several instances where the Fair Advisory Board entered into relationships with vendors to perform services or purchase items for the fair. The County has an employee who is designated to oversee the fairgrounds and with whom the Fair Advisory Board is suppose to consult and use as a liaison when making purchases and contracting for services. The Fair Advisory Board has no authority to commit the County or to enter into transactions with vendors. Its role is strictly that of advising the County Commission of the needs and wants of those who conduct or participate in the County Fair.

**RECOMMENDATION**

We recommend that the County Commission review the role the advisory boards play in County government and take steps to ensure that they act within their assigned roles.

**STATUS**

Implemented.

**03-09 GRANT DOCUMENTS**

**FINDING**

We noted that several departments of the County apply for grants from various entities and that each department keeps the grant documents. This practice makes it difficult to obtain information related to compliance with the grant and makes auditing of revenue more difficult.

**BOX ELDER COUNTY  
SCHEDULE OF PRIOR YEAR FINDINGS, RECOMMENDATIONS AND STATUS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**03-10 GRANT DOCUMENTS (continued)**

**RECOMMENDATION**

One of the duties, as outlined in state statutes, of the County Clerk is to track and retain contracts, grants and other official documents of the County. The County Auditor is to ensure that all disbursements are legal and in accordance with applicable statutes. We recommend that the original grant agreement be kept on file with the County Clerk so all County documents are available at one central location. We also recommend that the County Auditors office be given a copy of the grant document so that personnel in the Auditor's office are aware of the requirements and provisions of the grant to ensure that compliance with such provisions occurs.

**STATUS**

Not implemented, see 04-05.



**BOX ELDER COUNTY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**BOX ELDER COUNTY  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND  
AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the County Commissioners  
Box Elder County

**Compliance**

We have audited the compliance of Box Elder County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. Box Elder County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Box Elder County's management. Our responsibility is to express an opinion on Box Elder County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Box Elder County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Box Elder County's compliance with those requirements.

In our opinion, Box Elder County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

## **Internal Control Over Compliance**

The management of Box Elder County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Box Elder County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Box Elder County as of and for the year ended December 31, 2004, and have issued our report thereon dated June 27, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Box Elder County's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of Box Elder County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wiggins & Co., PC*

June 27, 2005

**BOX ELDER COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/Grantor Pass Through/Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Expended</u>	<u>Major Program</u>
U.S. Department of Agriculture:			
Direct:			
Schools and roads-Forest Reserve	10.665	\$ 12,405	
Passed through Bear River Resource Conservation and Development:			
ISDA-Bag O Woad Program	10. N/A	<u>5,700</u>	
Total U.S. Department of Agriculture		<u>18,105</u>	
U.S. Department of Commerce:			
Direct:			
Section 201/Public Works and Development Facilities	11.300	<u>339,380</u>	X
Total U.S. Department of Commerce		<u>339,380</u>	
U.S. Department of Justice:			
Direct:			
Local Law Enforcement Block Grant	16.592	19,979	
Home Land Security Grant	16.007	208,323	
Passed through Utah State Office of Crime Victim Reparations:			
Crime Victim Assistance	16.575	<u>38,380</u>	
Total U.S. Department of Justice		<u>266,682</u>	
U.S. Federal Emergency Management Agency:			
Passed through Utah State Disaster Assistance Department:			
Disaster Assistance	83.552	<u>8,250</u>	
Total U.S. Federal Emergency Management Agency		<u>8,250</u>	
U.S. Department of Interior:			
National Park Service:			
Direct:			
Rural Fire Assistance	15. N/A	18,500	
BLM Weed Grant	15. N/A	<u>7,500</u>	
Total U.S. Department of Interior		<u>26,000</u>	
Total Expenditures of Federal Awards		<u>\$ 658,417</u>	
See Accompanying Notes.			

**BOX ELDER COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**NOTE 1. PURPOSE OF THE SCHEDULE**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule of Box Elder County's basic financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a select portion of the activities of Box Elder County, it is not intended to and does not present either the financial position, changes in fund balances or the revenues or expenditures of Box Elder County.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

- A. Basis of Presentation - The information in the Schedule is presented in accordance with OMB Circular A-133.

Federal Financial Assistance - Pursuant to OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal awards, including federal surplus property, is included in federal awards and, therefore, is reported on the Schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal Government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

Major and Nonmajor Programs - OMB Circular A-133 establishes the levels of expenditures or expenses to be used in defining major and nonmajor federal awards programs.

- B. Reporting Entity - The reporting entity is fully described in the footnotes of the Box Elder County's financial statements. The schedule includes all federal awards programs administered by Box Elder County for the year ended December 31, 2004.

BOX ELDER COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2.      **SIGNIFICANT ACCOUNTING POLICIES (continued)**

- C.      Basis of Accounting - The expenditures in the Schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Costs - No indirect costs are included in the schedule.

Matching Costs - The Schedule does not include matching expenditures.

Nonmonetary Assistance - The County did not receive nonmonetary assistance during the year.

BOX ELDER COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes X none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes X no

Reportable condition(s) identified

not considered to be material weaknesses?

\_\_\_\_\_ yes X none reported

Type of auditors' report issued on compliance  
for major programs:

Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?

\_\_\_\_\_ yes X no

Identification of major programs:

CFDA Number(s)

11.300

Name of Federal Program or Cluster

Section 201/Public Works and  
Development Facilities

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes X no



**BOX ELDER COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**Section II - Financial Statement Findings**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There were no reportable conditions or material weaknesses noted during our audit. Accordingly, no such matters are reported.

**Section III - Federal Awards Compliance Findings**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the federal awards that are required to be reported in accordance with Circular A-133, section .510(a).

There were no federal award findings or questioned costs noted during our audit. Accordingly, no such matters are reported.

**Section IV - Summary of Prior Year Findings**

None